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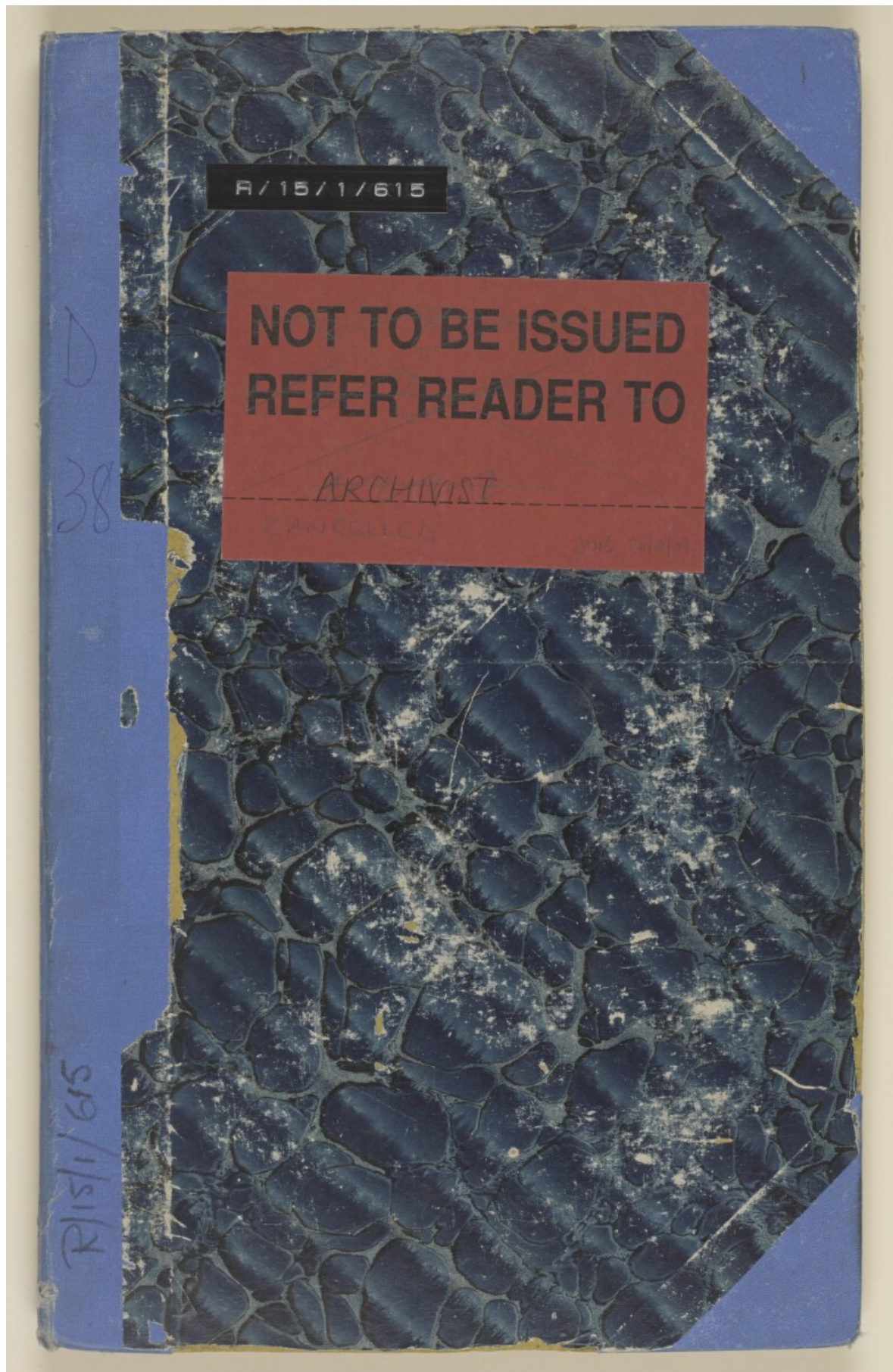
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| <b>Reference</b>              | IOR/R/15/1/615  |
| <b>Title</b>                  | 'File 73/7 V (D 38) Status of Kuwait, Anglo-Turkish Convention' |
| <b>Date(s)</b>                | 3 Jan 1914-16 Jul 1919 (CE, Gregorian)                          |
| <b>Written in</b>             | English and French in Latin                                     |
| <b>Extent and Format</b>      | 1 volume (104 folios)   |
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#### About this record

The volume contains letters, telegrams, maps, and newspaper cuttings relating to Anglo-Turkish negotiations over the Baghdad Railway, status of Kuwait, and other Persian Gulf matters. The correspondence is between Lionel Haworth, British Consul for Arabistan, Percy Cox, Political Resident at Bushire (later Stuart Knox as acting Political Resident), the Government of India, Henry Babington Smith, President of the National Bank of Turkey, Louis Mallet, British Ambassador to Turkey, the British Consulate at Adana, Hugh O'Beirne, Counsellor to the British Embassy in Russia, Richard von Kühlmann, Councillor of the German Embassy in London, Edward Grey, Secretary of State for Foreign Affairs, the India Office, the Board of Trade, William Grey, Political Agent at Kuwait, the British Consulate at Basra, Arnold Wilson, Civil Commissioner in Iraq, and Ibn Sa'ud, ruler of Najd and its dependencies. Some of the correspondence comes as enclosures.

The documents relate to the latter stages of negotiations and partly consist of drafts and counter-drafts of the eventual agreement, which was never ratified because of the outbreak of the First World War. They also reflect Britain's involvement in the agreement between the Ottoman Turks and the Baghdad Railway Company. Also covered is a discussion about what to do in case of Sheikh Mubarak of Kuwait's sudden death and territorial claims made by Ibn Sa'ud on what may be Kuwaiti land.













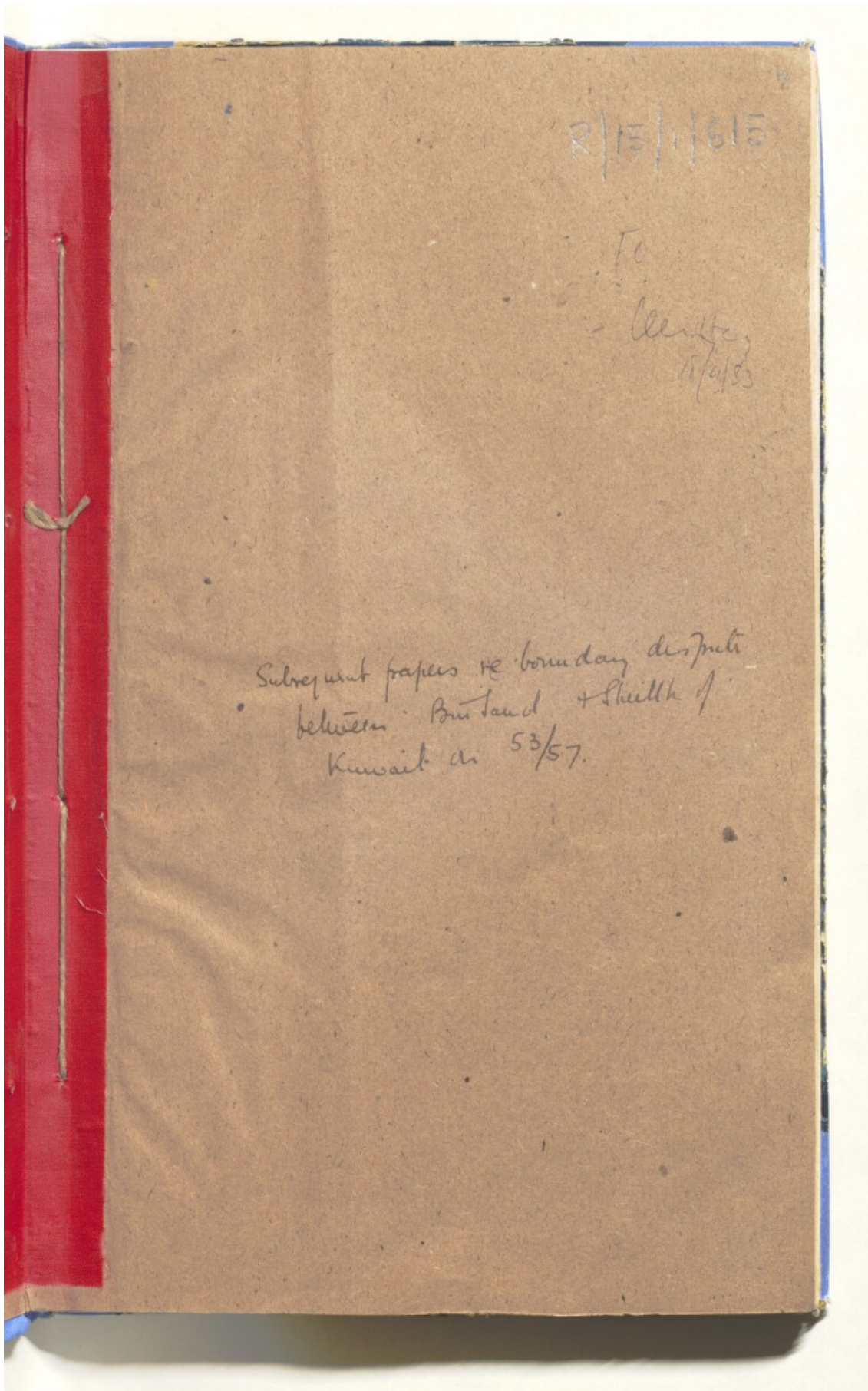








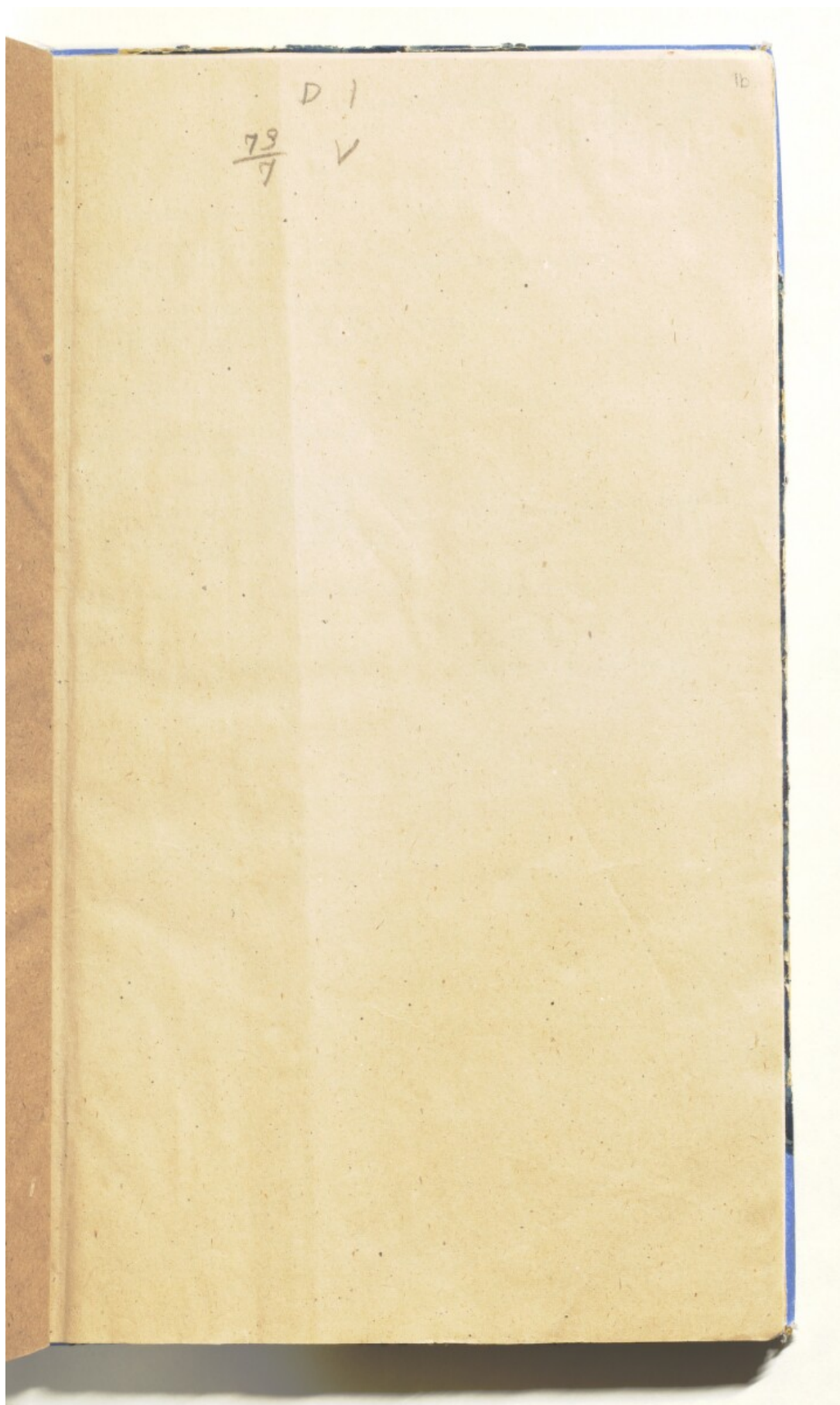


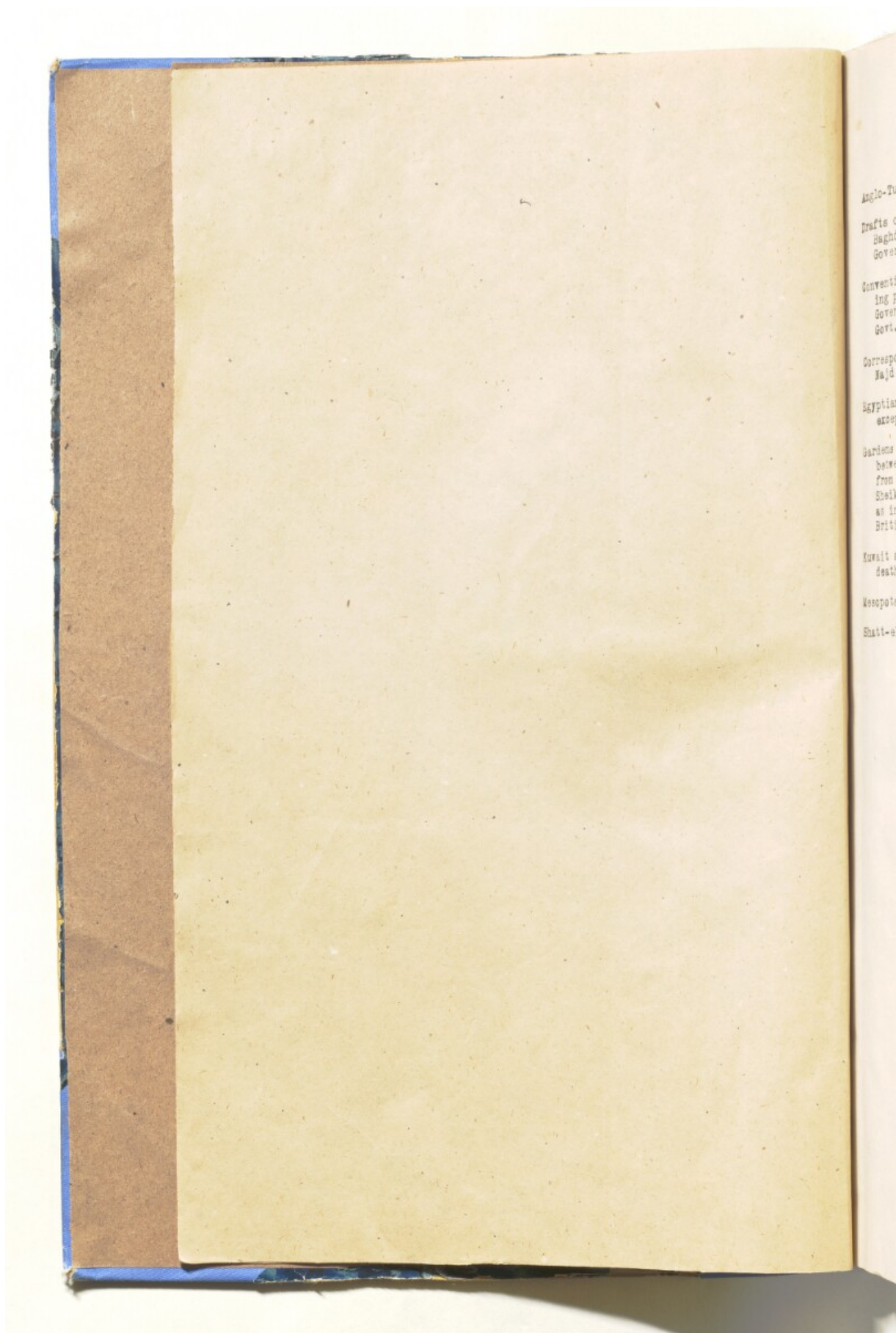








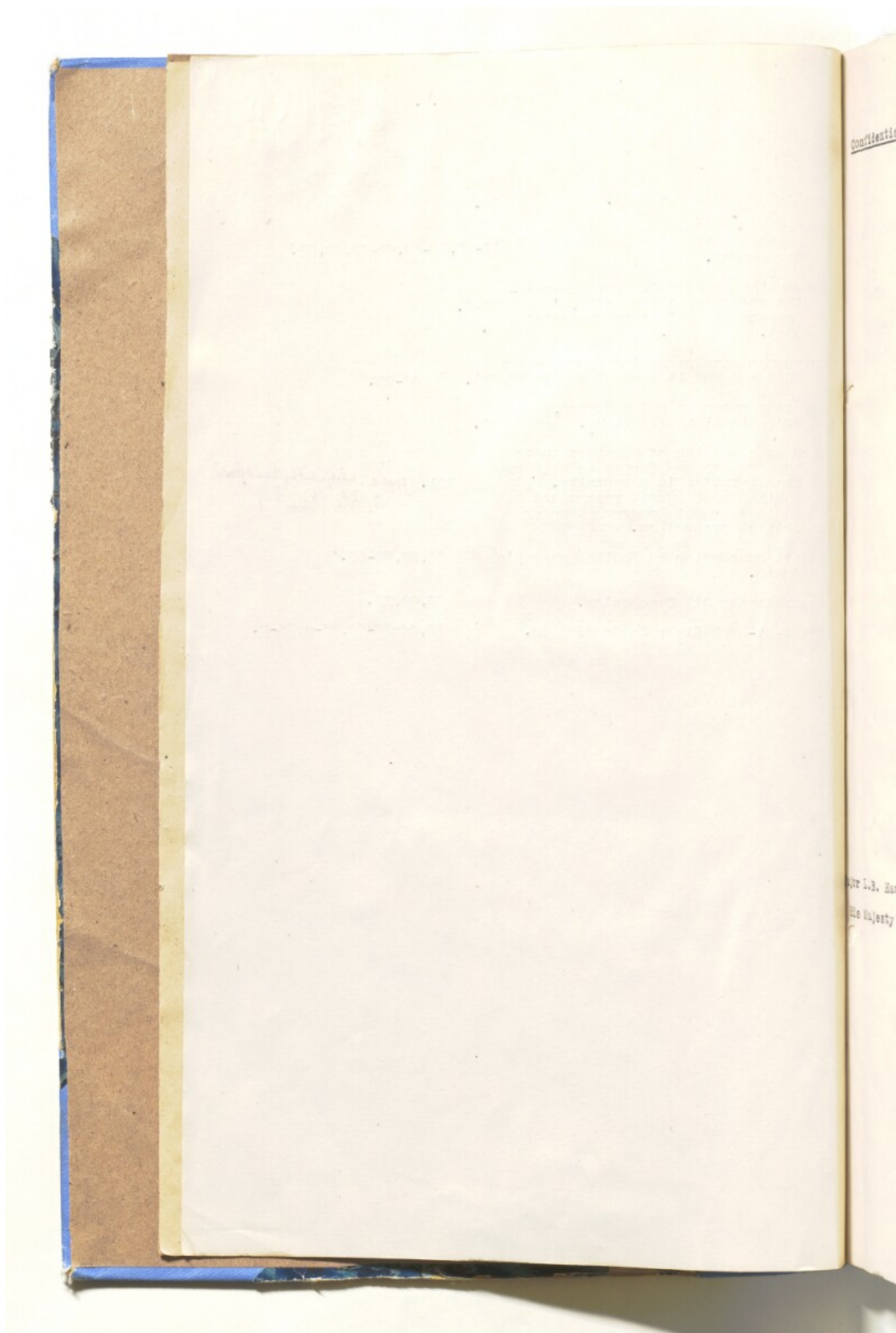






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Confidential.

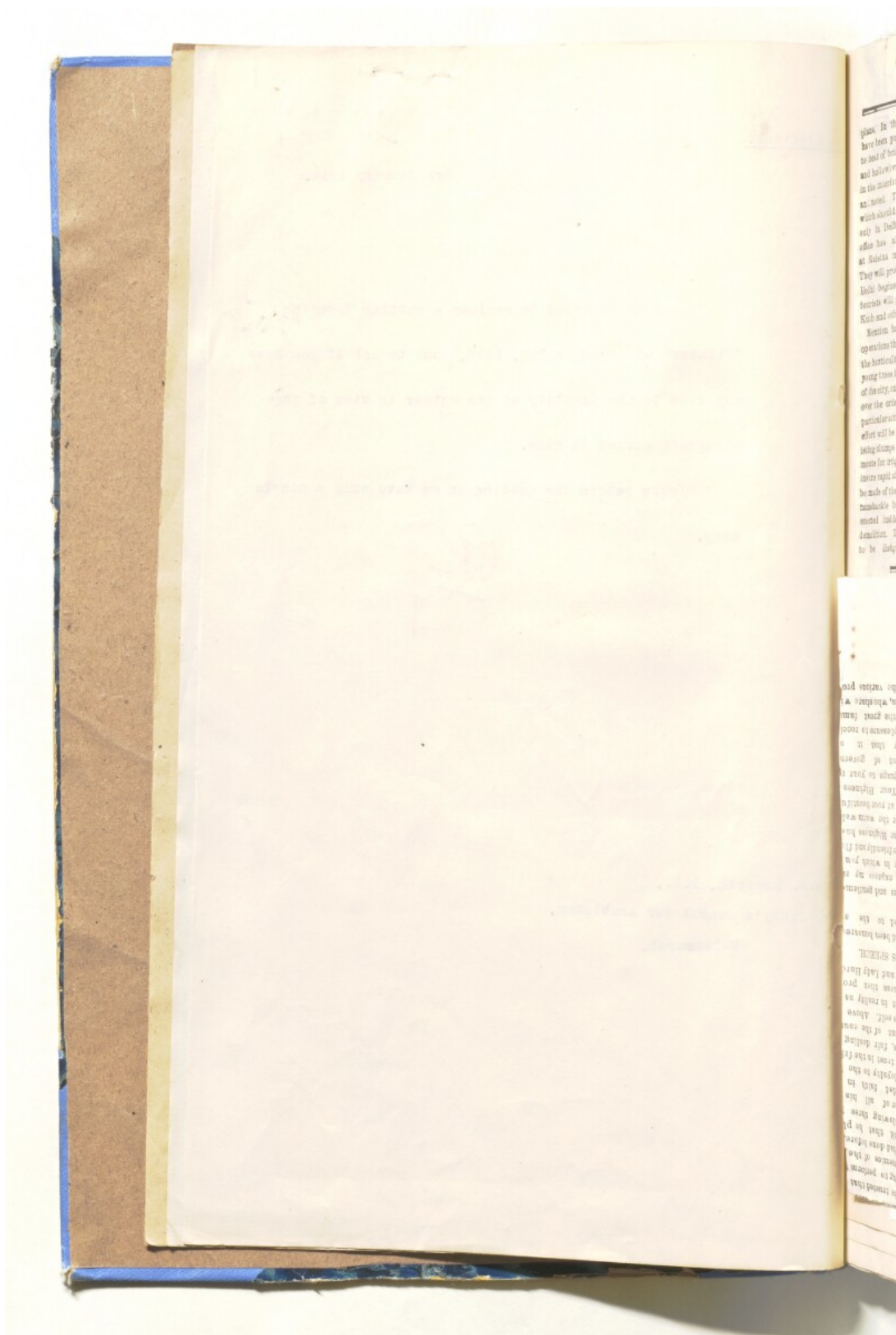
3rd January 1914.

I am directed to enclose a cutting from the  
"Pioneer" of December 7th, 1913, and to ask if you have  
any clue to the identity of the author in view of the  
paragraph marked in blue.

Please return the cutting as we have only a single  
copy.

*BL*

Mr L.B. Haworth, I.A.,  
His Majesty's Consul for Arabistan,  
Muharrarah.







THE PIONEER SUNDAY, DECEMBER 7, 1913.

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plans. In the mill compound small towers have been put to test the resisting-power to heat of brick, stone and mud roofs and (solid and hollow). Thermometers are suspended in the interior and several readings are taken as noted. These should give standard tables which should be of great value to builders not only in Doha but all over India. A post office has also been opened, and residents at Bahana and other appropriate towns. They will probably not wait for visitors as New Doha begins spring into being, and many tourists will go on their way to and from the Kharb and other historical show-places.

Mention has been made of the reinforcement operations that are contemplated. Mr. Grieson, the historical expert, has some thousands of young trees in a nursery near the Doha Gate of the city, and these can be planted out when ever the order is given. The ridge will need particular attention, as it is very bare. Every effort will be made to preserve and utilize existing clumps of trees and shrubs, and arrangements for irrigation will be on a scale that will be made of the clearing out of the marshes. The ramshackle buildings which squatters had erected inside the walls being in course of demolition. The Purana Qila will come to be displaced by these enormous ones.

MOHAMMERAH.

[FROM A CORRESPONDENT.]

As Mohammerah has lately been attracting a certain amount of public attention, possibly a few notes on the place by one who has had occasion recently to spend a few months there may be of interest to your readers.

Situated about 60 miles from the bar off the mouth of the Shatt-el-Arab and 40 miles from Basra by sea, Mohammerah is the capital and most important town of the province of Arabistan under the jurisdiction of the present Amir of the Khuras and Shatt-el-Arab rivers. (This is known as the Bahar Canal (Bahar-dig) supposed to have been built by Alexander the Great to sail sailing down the Karun and ultimately to open up direct communication with the Shatt-el-Arab. Whether this be true or not, Alexander—according to Lord Curzon—wounded one of his Alexandrians on or near the site of the present town. After destruction by flood it was successively known as Amulshah and Charras.

Ardehshir Jahan rebuilt the town in A.D. 1555 and changed its name to Ardeshir; when it received its present name is unknown. Some centuries ago this Difaal, Shahr and Ahwar were important towns. Mohammerah was a port some months. With the depletion of these cities, however, it fell into disuse, for early in the present century it was rebuilt by one of the leaders of the Bahadur tribe of Arabs who by the object of raising Turkish encroachments, won a few years later as a free port by one of his successors the new port to greatly increased with the needs of Russia that the Turks as an expedition and captured it in 1837. It was during the wars that ensued that the British naval Arab chief called to his aid the British who were not then the negligible military quantity that they have since become. The British in return made the Arab chief stronger and more independent in compliance of the wish, the possession of which was a fruitful source of dispute between them and the Turks till 1847 when, thanks to the diplomatic skill of Lord Curzon, Persia was finally ceded to Persia by the treaty of Erzerum, and with them it has since remained.

During the Persian war of 1857 Mohammerah was the scene of some fighting. Batteries were erected on the north and south banks of the Bahar Canal and the British war vessels and transports were subjected to a heavy fire as they proceeded up the river, though with little or no result. A shell from one of the warships fortunately exploded the chief Persian magazine about midway of the 10th March, shortly after the disembarkation of the British as announced, which so greatly demoralized them that so many had the troops forced up to attack them they disappeared. Retreating or rather flying along the right bank of the river they took up another position in the vicinity of Ahwar, from which a few days later in a bloodless encounter 10,000 Persians were driven by some 300 men of the British and 7000 Russians. Signs of the British bombardment are still to be seen in the deep furrows on a few of the dunes in the neighbourhood, while some of the shells picked up after the bombardment were to this day still as weights in the mud. Appointed by the British as a British Mohammerah, where a battery was posted, it also known as Amul-Rassas (Mother of Shell).

General John Jacob, who accompanied the Persian expedition, in command of the cavalry, strongly urged that Mohammerah, which had become British by right of conquest, should be retained together with the province of Khuzistan, or Arabistan as it is now called, which he considered were of tremendous strategic importance.

After a lapse of nearly 60 years it is interesting to consider what advantages Britain would have derived had his advice been followed and how supreme would have been her influence by the present time. In this neighbourhood which is rapidly becoming of great world interest.

It is very many years now since the attention of the British was first attracted to the value and possibilities of the Karun trade route, but notwithstanding the repeated efforts of British merchants in conjunction with the Bahadur chiefs to obtain concessions for trade on the Karun, also later opportunities were either impractical or put to death by the Persian Government—no concessions were granted till 1887. In that year the Karun was declared open as far as Russian ships situated at the rapids some two miles below the town of Ahwar, whither merchandise after arrival at the former place is now conveyed by horse-drawn teams.

Meers Ruzh Khan, accordingly inaugurated their steamboat service. Their steamer the Malak—named after a well-known plain in the heart of the Bahadur country—does the journey to Naizib, about 110 miles, in 36-48 hours, depending on the time of year and amount of water in the river, with two iron barges loaded with cargo lashed to either side. Owing to the numerous shoals that are encountered, the steamer anchors for some hours during the night, running around in frequent and it says much for the Captain's skill and knowledge of the river that the delays are so long.

Following the opening of the trade route, a British Vice-Consul was appointed in 1890, to be raised to the status of Consul a few years later as trade developed and the number of British subjects increased.

As might be expected from the name Arabistan, the population of Mohammerah, numbering some 10,000-15,000, excluding the oil refineries of the Anglo-Persian Oil Company at Ahwar, is mainly composed of Arabs. The remainder is made up of natives of Difaal and Shahr, a few merchants from other parts of Persia, Baghdad, Jews and Christians. Mention must also be made of the community of Zikhs, some 20 families of whom occupy a small and entirely distinct village outside the main town. Many and conflicting reports have been written of the interesting people who style themselves followers of St. John (Mandil Yahya). According to Curzon, they recognize St. John the Baptist as their chief prophet, although acknowledging the divinity of God. They have no churches and running water plays an important part in their ritual. The visitor if he is fortunate may, as he passes the village in his "balun" see one of their legends. These baptisms are frequently renewed; marriage and prayer also require running water. In appearance and dress, the Zikhs cannot be distinguished from the local Arabs; they intermarry only among themselves, are smiths by trade and usually in a state of poverty.

The Sheikh of Mohammerah, though flying the Persian flag and nominally a Persian subject, is virtually independent. He is the chief of the already mentioned Bahadur Arabs, the majority of whom live on the right bank of the Shatt-el-Arab and of course Turkish subjects. His palace at Fadhil, on the same river, four to five miles above Mohammerah and quite close to the Perso-Turkish frontier, is an imposing two-storied structure fitted with electric light. Here on the King's birthday and the 14th he entertains most of the European community at dinner; he also keeps an English speaking doctor.

The town itself is governed by an official styled the Naib-ul-Mukham, who pays the Sheikh a yearly stipend for this privilege. He derives his income from the fines he can extract from malfeasants, various rentals and other privileges which are in his gift. Even more important than the above is the Bahadur (chief of the merchants). Himself an enterprising and most successful merchant, he is the Prime Minister and chief adviser to the Sheikh on all matters relating to trade and other affairs. Not much mention of the Kar Guzar (Akram-ul-Nulk) or Foreign Office Agent he entitled. Appointed by the Central Government, his duties are to superintend mercantile operations and represent the Persian Foreign

Office. Lord Curzon in his *Persia* mentions having been put to grave inconvenience during his travels in this part of Persia from one of these officials, but at the present time, the position of the Kar Guzar is to all intents and purposes a sinecure. The present holder of the office is a most charming man, who regards his subjects among the Arabs as little short of wife. Like many Persians he is devoted to gardening and always welcomes Europeans with that charm of manner for which the better class Persians are so justly renowned.

As regards the relations between the Arabs and Persians, it is recorded that during the Persian war of 1857 all the fugitives and wounded Persians that fell into the hands of the Arabs were massacred. British troops alone prevented them being looted after the Persian flight. Relations, though greatly improved since then, cannot even now be termed cordial: the Arabs refer to the Persians as "Apim" or "Barbarian" and regard them as effeminate, while the Persians regard the Arabs as plotters.

Mohammerah may best be reached by R.T.S.N. Company, of which there is a bi-weekly service—fast and slow mail. The former touches only at Muscat and Bushire to pick up mails and passengers, the journey taking five days from Karachi: the latter touches at all the ports of the Gulf, the journey from Karachi taking anything from ten to fourteen days. Daily a week passes without two or more steamers passing Mohammerah, but their arrival and departure is uncertain. The steamer arrives at the mouth of the Shatt-el-Arab about 12 hours after leaving Bushire. Here it is usually necessary to anchor, for the bar can only be crossed at full tide when there is 18 feet of water. As on the Turkish side of the river, where the cable end of the Gulf section of the Indo-European Telegraph Company comes up, it passed a few miles higher up. Here there has been erected a fort which only diplomatic pressure at Constantinople and the presence of a British warship at Basra prevented being mounted with guns to become a menace to the shipping.

There are no hotels or caravanserais in Mohammerah where travellers may put up, so if a stay is intended previous arrangements should be made. The steamers anchor opposite the junction of the Bahar Canal, which is here about 100 yards wide and 20 to 30 feet deep.

After a medical inspection the visitor will be taken ashore in a "balun" as the local boats are called, numbers of which come to meet every steamer on arrival. These are long, narrow craft something like a racing punt and are sailed by a mast and sail or poled or paddled. Most of the European residents have "baluns" of their own and the local Arabs as "balunsmen" to pole or paddle the craft. From frequent working together these acquire great dexterity and are only too keen to bet or gamble with the crew of a rival "balun" on the result of a race—which latter sometimes culminates in a free fight when the most violent language is used and knives are drawn behind a man's back.

Proceeding up stream are passed the Customs House, in the hands of Belgian officials, the warehouses and offices of the various business firms and the Consulate, which is shortly to be rebuilt.

Both in Mohammerah and Ahwar, the British Consulates are imposing looking buildings and quite unbecoming the dignity of a great power like Britain. It is believed that during Lord Curzon's Viceroyalty plans and estimates for more fitting residences were prepared, to be pigeon-holed on his departure from India. Considering what British interferences in this neighbourhood and the Eastern respect for pomp and show, it is surely to her interest to provide suitable residences for her Consuls. It is to be hoped the new Consulate will be on a larger and grander scale. Almost all the firms have developed and altered to their requirements Persian houses, the Anglo-Persian Oil Company alone having built a fresh building. This is a two-storied building lighted by electric light as is the "English" Club which lies adjacent to it.

Mohammerah at the utmost cannot boast more than thirty-five European residents, and it speaks much for the enterprise of these that they have completed a club with tennis and other facilities, and a billiard room which can bear comparison with the average up-country Indian one.

Passing the club, the next building of any note in the residence of Haji Rais, the Rais-ul-Daulat already mentioned.

The town of Mohammerah is next reached. With a river front of a mile it stretches back into the desert for some three-quarters of a mile. For almost its entire length the river front is lined with coffee shops, where in the early morning and again towards

noon the male inhabitants wear their way and, spitting or sipping on the wooden benches, sip a cup of tea or coffee, discuss the local news and doubtless criticize the passing ships. The most conspicuous of these coffee shops, and they are quite the feature of Mohammerah, is that frequented by the Jews; supported on piles it is built out into the river. The house itself is behind these. Like most houses in Persia it is worked in and is closed for several hours in the middle of the day. Beyond the making of copper vessels and trays, Mohammerah has no special industry like Shiraz, Isfahan or Kirman and the shops are consequently indifferent and uninteresting.

A straggling Bahadur village is next passed and a little later the "Arsenal" with the Kar Guzar's house next to it. The Arsenal consists of five muzzle-loading guns and limbers, with some barracks in rear, an air of blight and decay over the whole. What might have formed a quite picturesque picture is spoiled by the wooden structure which has been erected directly in front of the guns: it was may be best left to the imagination. Beyond this lie the residences of the officials of the Imperial Bank of Persia, by far the best built and most comfortable of the European houses. All the above lie on the right bank with the exception of the quarantine station and one small village. The left bank is lined with date groves, in the cultivation of which the entire Arab population find employment. These date gardens, with an occasional grove of wheat or barley grown beneath the palms, extend about eight miles up the river. The banks of the Shatt-el-Arab are also lined with them from its mouth to some considerable distance above Basra. They form a natural and pleasing contrast to the rest of the surrounding country, which is dead flat, bare and monotonous in the extreme.

The traveller who in other parts of the world has seen the value that is made of all available water cannot fail to notice how little use is made of this, the largest and most important of Persian rivers. The already mentioned date groves rarely extend more than a quarter of a mile inland and are irrigated by shallow channels dug at right angles to the banks of the river, which are lined and embanked at each rise and fall of the tide. Were the most primitive methods of raising water to be introduced, large areas of fertile soil now neglected could easily be brought under cultivation. Remains of abandoned cultivation prove that a much larger area was formerly under cultivation, but Government oppression and the enormous percentage of revenue demanded (sometimes as high as thirty per cent) of the crop have had their natural effect. In any other hands but those of the Persians the district with its vast natural resources would have been a very different place to what it is at the present day.

Mohammerah is also the headquarters of the Persian Navy or more correctly Customs Revenue Service, which consists of two steamers and two small yachts fitted with one or two guns each. The largest of these, the *Fenepole*, is the flagship of the squadron. Tradition says that it was bought from a German firm, who fitted it with a ram to place the ship and charged for it accordingly. It is extremely doubtful whether it could put to sea in safety, though the others are more serviceable.

A Belgian naval officer is in charge of the squadron and the crew are almost entirely composed of Arabs who make far better seamen than the Persians, which is hardly to be wondered when their former traditions are considered.

Much has been written of the climate of the Persian Gulf, its horrors are a by-word amongst officers of the East India Squadron and British India. But it undoubtedly is, but Mohammerah, enjoys, and deservedly, the reputation of having the best climate of these parts. Until the end of July when the south wind commences the climate compares very favourably with that of the average Indian plains station. During August and until the middle of September the climate is extremely damp and trying, while the thermometer records a temperature several degrees higher than that of Bombay at its worst. Without this wind, however, the district would not have gained the reputation it has of producing the finest dates in the world, for the ripening of the date crop and the arrival of Indian ships which come for their annual cargo of dates entirely depend upon it. Incidentally, most excellent sales are to be obtained during these months and form a welcome addition to the rather indifferent local supplies.



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Mohammerah has the natural conditions requisite for developing into a great port with

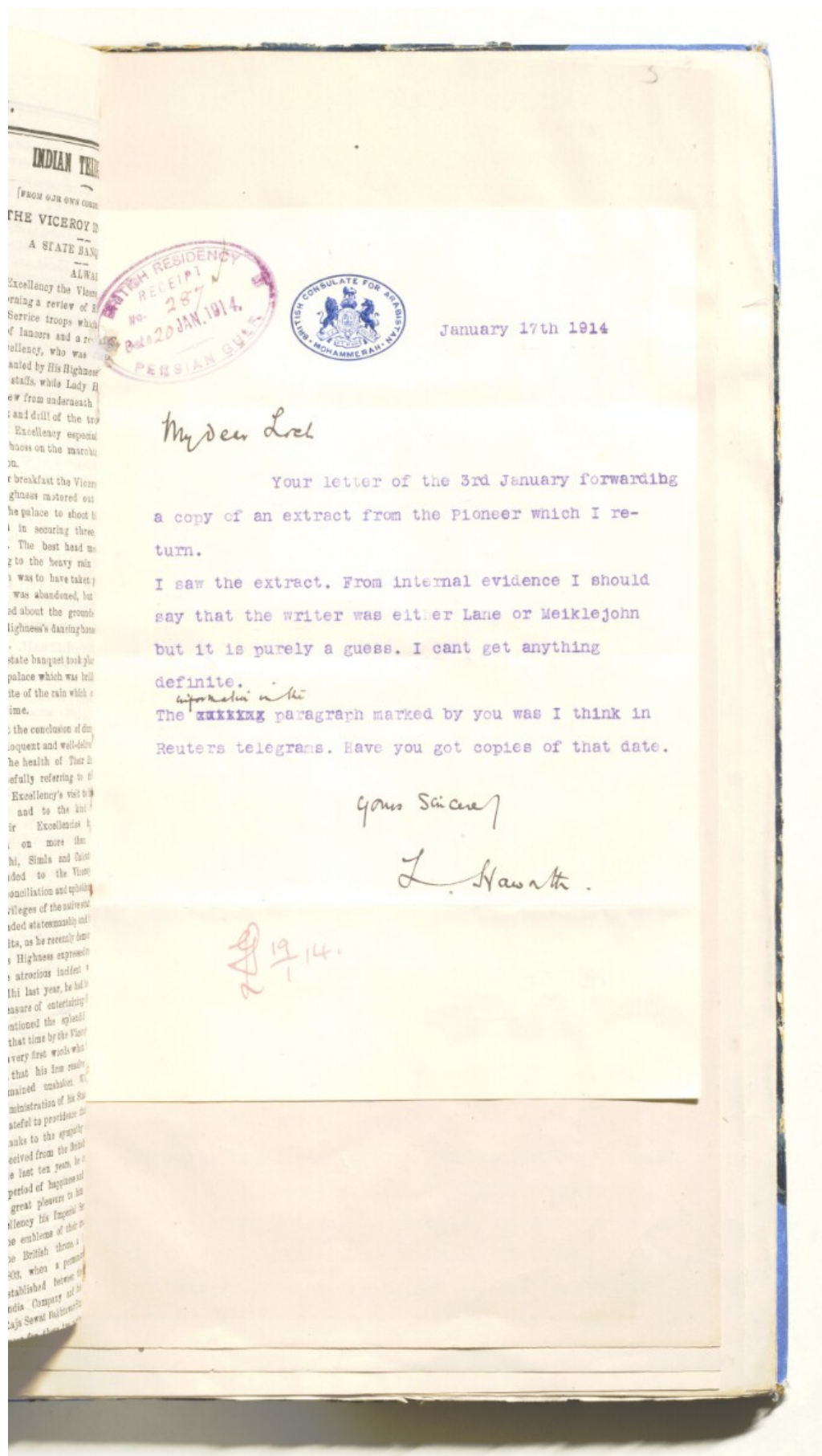
It is hoped that sufficient has been said to prove that Mohammedan must expand. This will probably be in a north-westerly direction along the left bank of the Shat-el-Arab when ocean-going steamers will be able to discharge their cargo within a stone's throw of the bank. In the writer's opinion there is no place in the world that will make greater strides towards prosperity in the near future than this little longer spot.

**HOMBAY VETERINARY COLLEGE**—A Government resolution on the annual report of the Bombay Veterinary College says—Attention has improved, the percentage of students passing examinations has risen and the graduates seem to have no difficulty in finding employment, and it is a feature of great promise that some have taken up private practice and are succeeding in their enterprise. There is still considerable difficulty in obtaining suitable candidates from Sind.

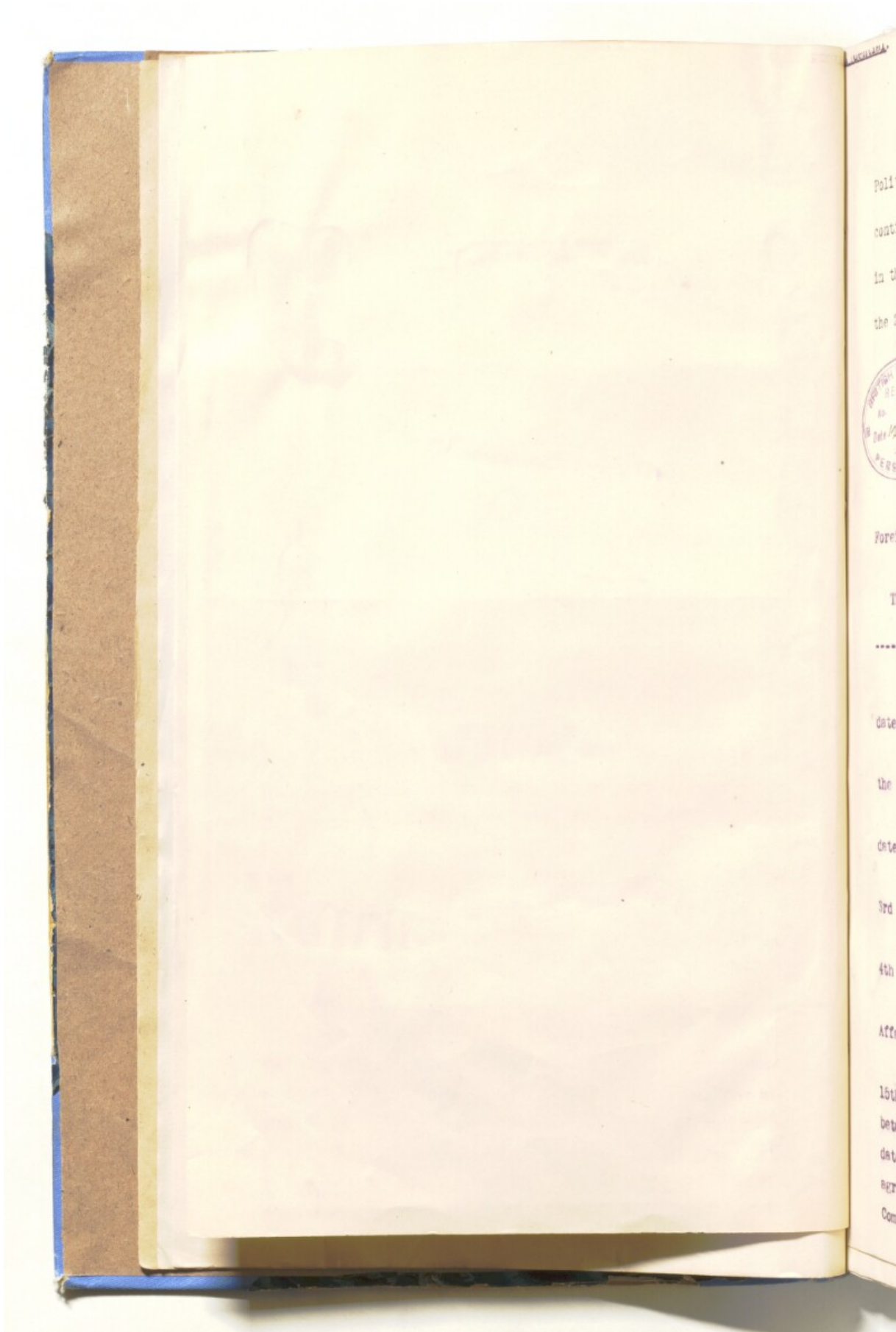
former of Amboy. The Committee suggested that the Government should be asked to allow them an additional representative as in the case of the Corporation, who were allowed the privilege of electing two representatives. Dr. Sukha, moved as an amendment that the rules should be so framed as to confine the election of their representative on the Council to the members of the Corporation to the exclusion of outsiders. The amendment was seconded by Dr. S. S. Chaudhary. Dr. Yemoli Naraina did not think it was wise to make the demand for allowing the Corporation an additional representative on the Council for what the Government asked them whether they suggested any other form of amendment in the rules of election. The amendment was put to the vote and carried.

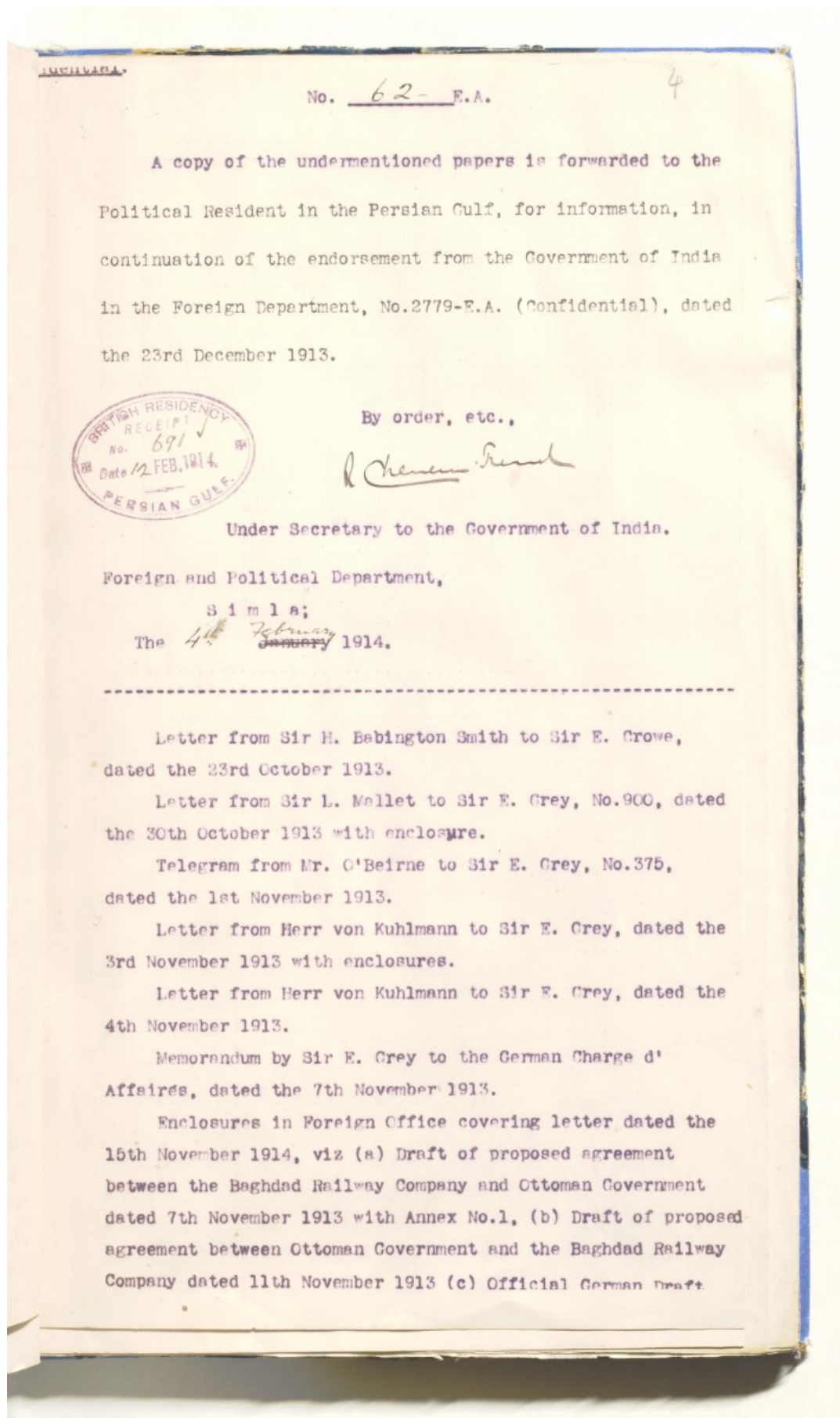
THE VICKROY

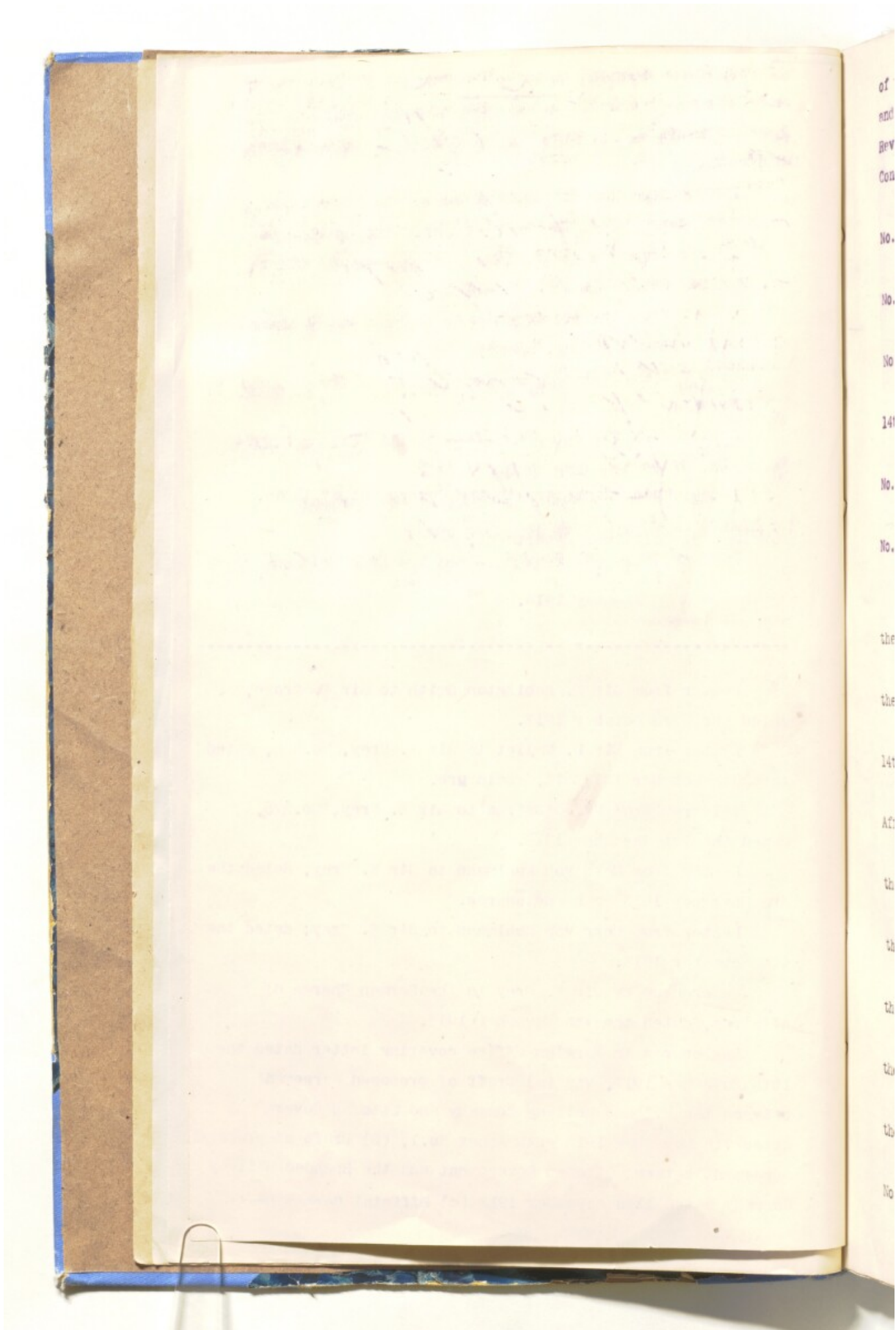
"Your Highness, ladies and gentlemen in the first place, thank you for the kind way in which you have received me, for the kind words which you have given me, and for the interesting capital which you have shown me. I am very glad to have visited to me at the time when I need hardly say that I am very glad to have given me the warmest welcome. I am very glad to have given my guests members of the ruling chiefs of India and my Governments of India."















of proposed agreement between the Baghdad Railway Company and Ottoman Government dated 14th November 1913 and (d) Revised Draft by Mr. Hurst of Article 6 of Anglo-German Convention.

Letter from the Foreign Office to the India Office. No. 50643, dated the 17th November 1913 with enclosures.

Letter from the India Office to the Foreign Office No. P-4704, dated the 19th November 1913.

Letter from the Foreign Office to Herr von Kuhlmann, No. 52549, dated the 22nd November 1913.

Letter from Herr von Kuhlmann to Sir E. Grey, dated the 14th November 1913.

Letter from the Board of Trade to the Foreign Office, No. 52464, dated the 18th November 1913.

Letter from the Board of Trade to Mr. Parker, No. 52480, dated the 17th November 1913.

Memorandum by Mr. Parker, dated the 19th November 1913.

Telegram from Sir E. Grey to Mr. O'Beirne, No. 731, dated the 3rd November 1913.

Telegram from Sir E. Grey to Mr. O'Beirne, No. 742, dated the 11th November 1913.

Letter from Herr von Kuhlmann to Sir E. Grey, dated the 14th November 1913.

Memorandum by Sir E. Grey to the German Charge d' Affaires, dated the 25th November 1913 with enclosure.

Telegram from Sir E. Grey to Mr. O'Beirne, No. 769, dated the 29th November 1913.

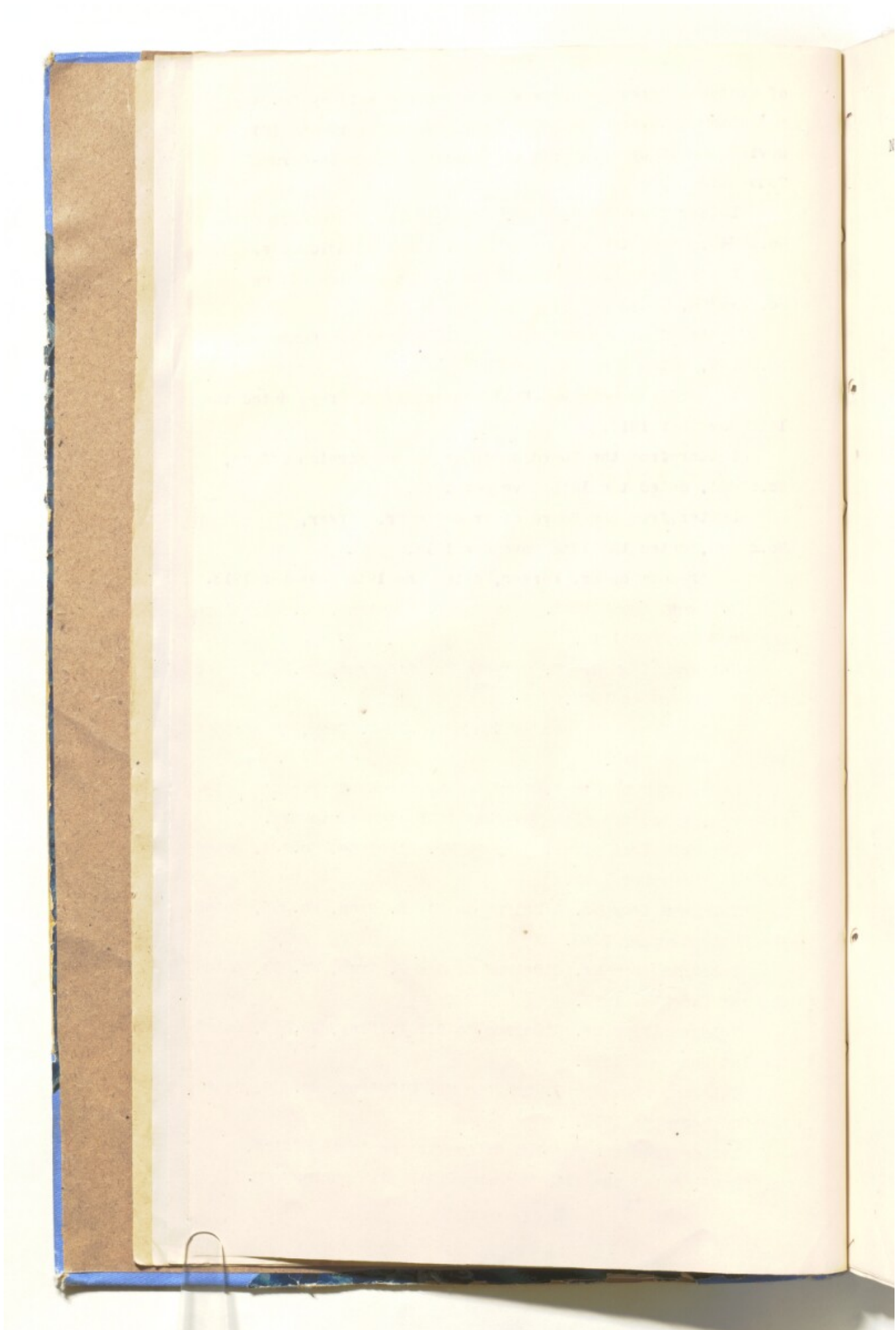
Telegram from Mr. O'Beirne to Sir E. Grey, No. 396, dated the 29th November 1913.

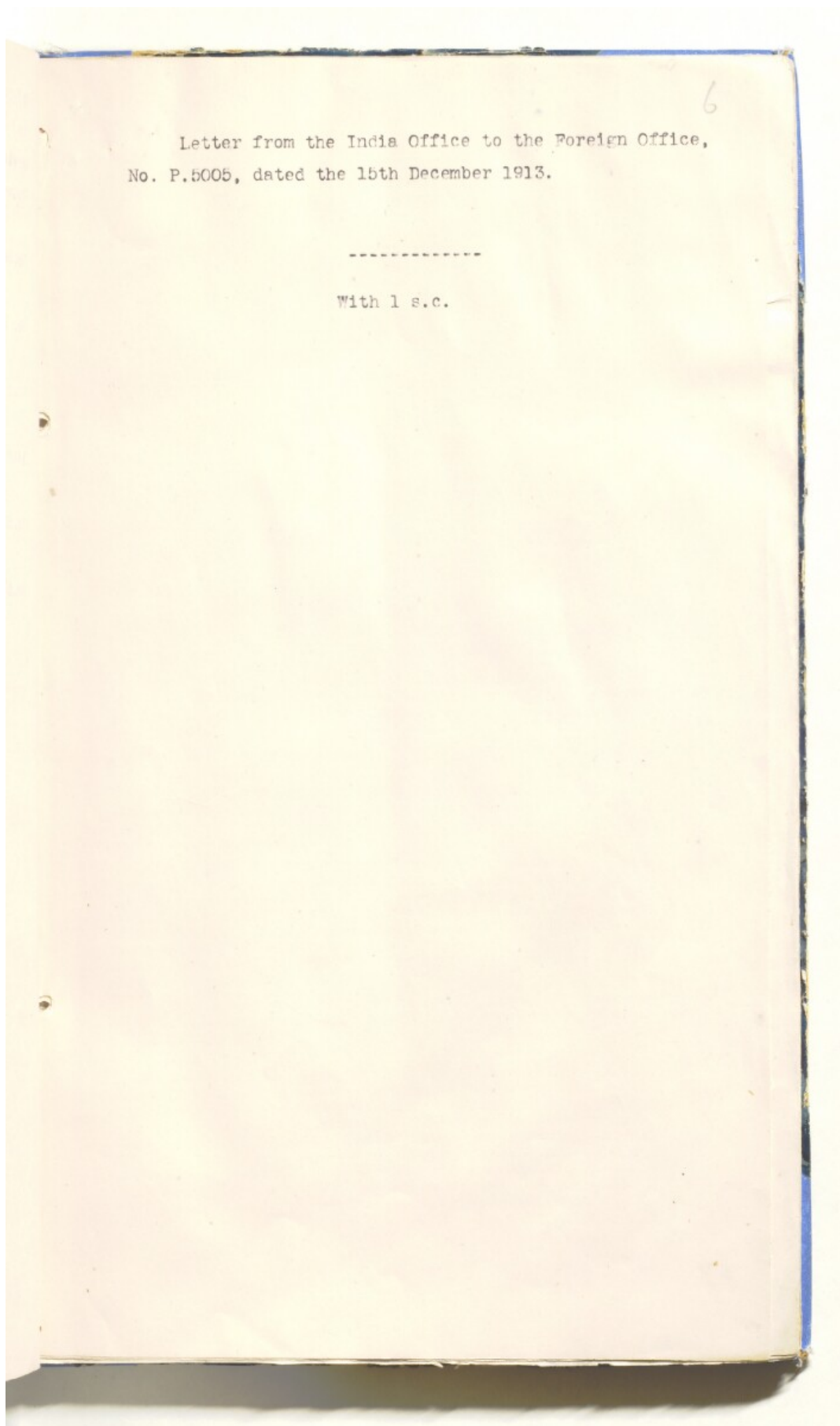
Telegram from Mr. O'Beirne to Sir E. Grey, No. 397, dated the 1st December 1913.

Telegram from Mr. O'Beirne to Sir E. Grey, No. 399, dated the 1st December 1913.

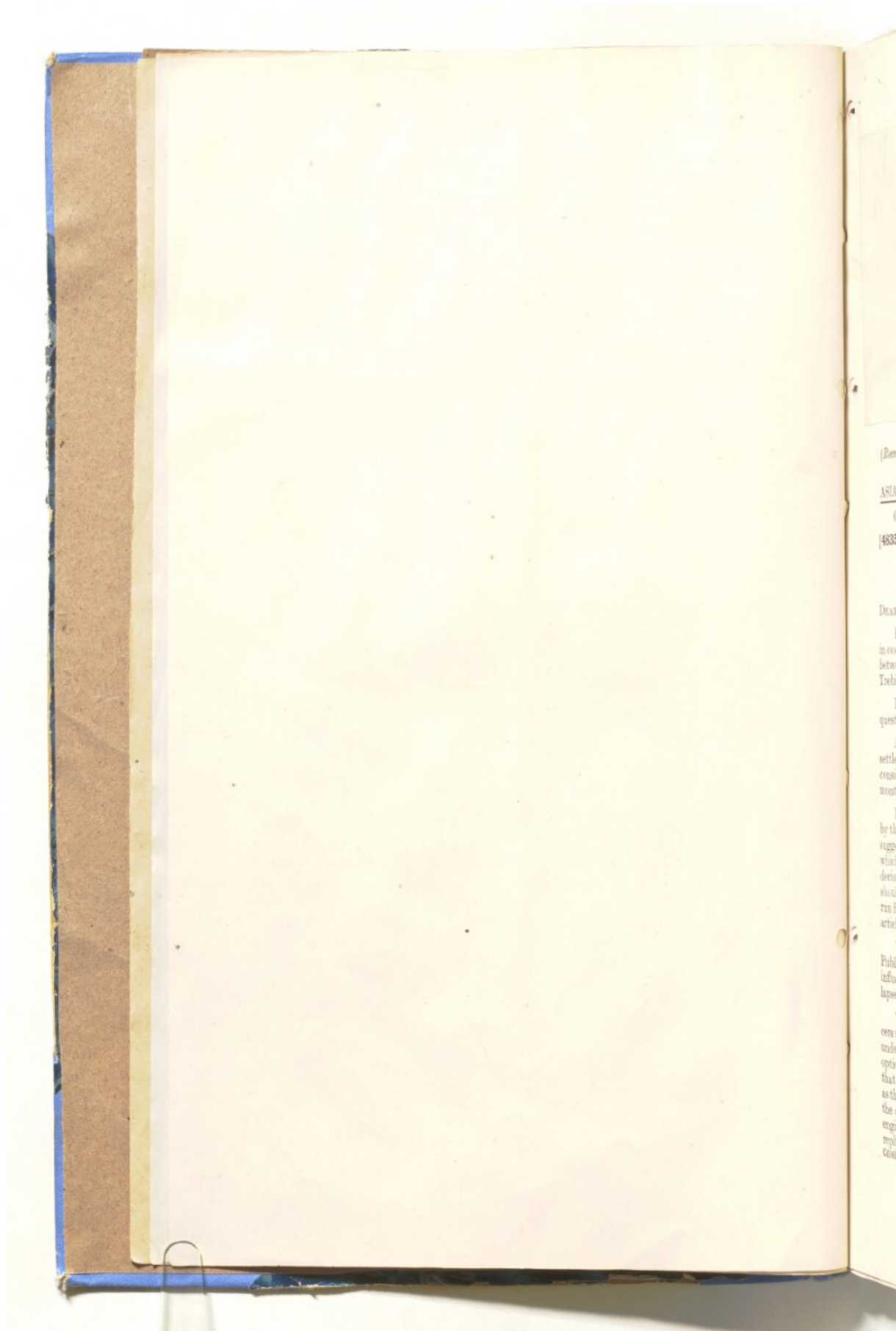
Telegram from Sir E. Grey to Mr. O'Beirne, No. 779, dated the 2nd December 1913.

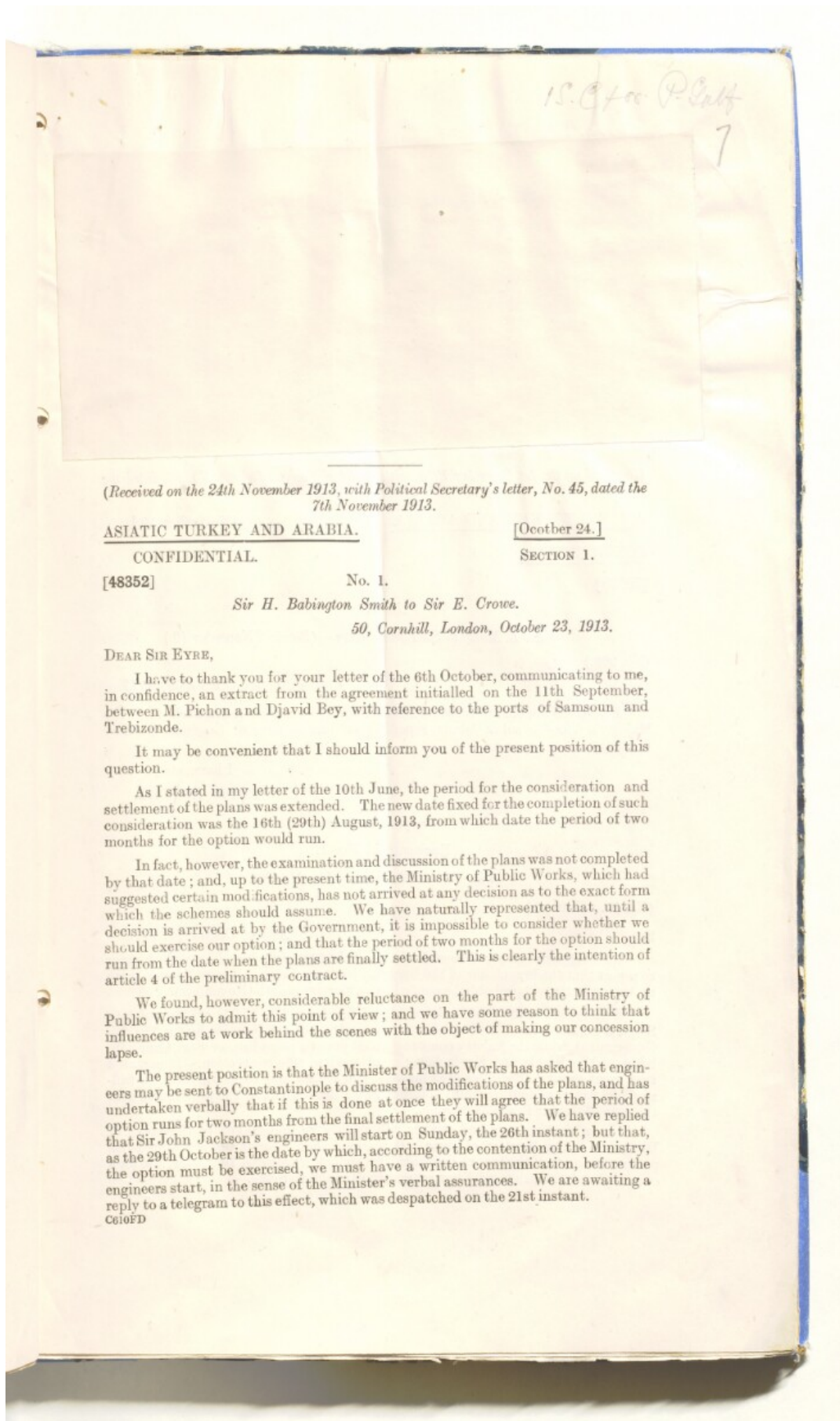
Letter from the Foreign Office to the India Office, No. 50643, dated the 11th December 1913 with enclosures.











(Received on the 24th November 1913, with Political Secretary's letter, No. 45, dated the 7th November 1913.)

ASIATIC TURKEY AND ARABIA.

[October 24.]

CONFIDENTIAL.

SECTION 1.

[48352]

No. 1.

*Sir H. Babington Smith to Sir E. Crowe.*

*50, Cornhill, London, October 23, 1913.*

DEAR SIR EYRE,

I have to thank you for your letter of the 6th October, communicating to me, in confidence, an extract from the agreement initialled on the 11th September, between M. Pichon and Djavid Bey, with reference to the ports of Samsoun and Trebizonde.

It may be convenient that I should inform you of the present position of this question.

As I stated in my letter of the 10th June, the period for the consideration and settlement of the plans was extended. The new date fixed for the completion of such consideration was the 16th (29th) August, 1913, from which date the period of two months for the option would run.

In fact, however, the examination and discussion of the plans was not completed by that date; and, up to the present time, the Ministry of Public Works, which had suggested certain modifications, has not arrived at any decision as to the exact form which the schemes should assume. We have naturally represented that, until a decision is arrived at by the Government, it is impossible to consider whether we should exercise our option; and that the period of two months for the option should run from the date when the plans are finally settled. This is clearly the intention of article 4 of the preliminary contract.

We found, however, considerable reluctance on the part of the Ministry of Public Works to admit this point of view; and we have some reason to think that influences are at work behind the scenes with the object of making our concession lapse.

The present position is that the Minister of Public Works has asked that engineers may be sent to Constantinople to discuss the modifications of the plans, and has undertaken verbally that if this is done at once they will agree that the period of option runs for two months from the final settlement of the plans. We have replied that Sir John Jackson's engineers will start on Sunday, the 26th instant; but that, as the 29th October is the date by which, according to the contention of the Ministry, the option must be exercised, we must have a written communication, before the engineers start, in the sense of the Minister's verbal assurances. We are awaiting a reply to a telegram to this effect, which was despatched on the 21st instant.

C610FD





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The attitude of the Ministry of Public Works may be, no doubt, due in part to the belief that the National Bank of Turkey is not likely to take up the concession. You are aware of our general attitude as regards new business in Turkey; and if the bank alone were concerned, we should not be justified in asking for assistance from the Government. It is, however, a question of works in which an important British firm of contractors—Sir John Jackson (Limited)—is interested; and, failing the National Bank of Turkey, there can be little doubt that Sir John Jackson would be able to secure financial co-operation from other quarters. We are anxious to ensure that Sir John Jackson's interests shall not suffer by our withdrawal; and, if circumstances should require it, I hope that we may have Sir Edward Grey's support in claiming that the concession should not be allowed to lapse through an unreasonable interpretation of the option clause.

Believe me, etc.,

H. BABINGTON SMITH.

(Received on the 1st December 1913, with Political Secretary's letter No. 46, dated the 14th November 1913.)

ASIATIC TURKEY AND ARABIA.

[November 10.]

CONFIDENTIAL.

SECTION 2.

[50835]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received November 10.)*

(No. 900.)

SIR,

*Constantinople, October 30, 1913.*

I have the honour to forward herewith an extract from a despatch from His Majesty's Vice-Consul at Adana, reporting on branch lines of Baghdad Railway Company.

I have, etc.,

LOUIS MALLET.

Enclosure in No. 1.

*Vice-Consul Matthews to Mr. Marling.*

(No. 61. Extract.)

SIR,

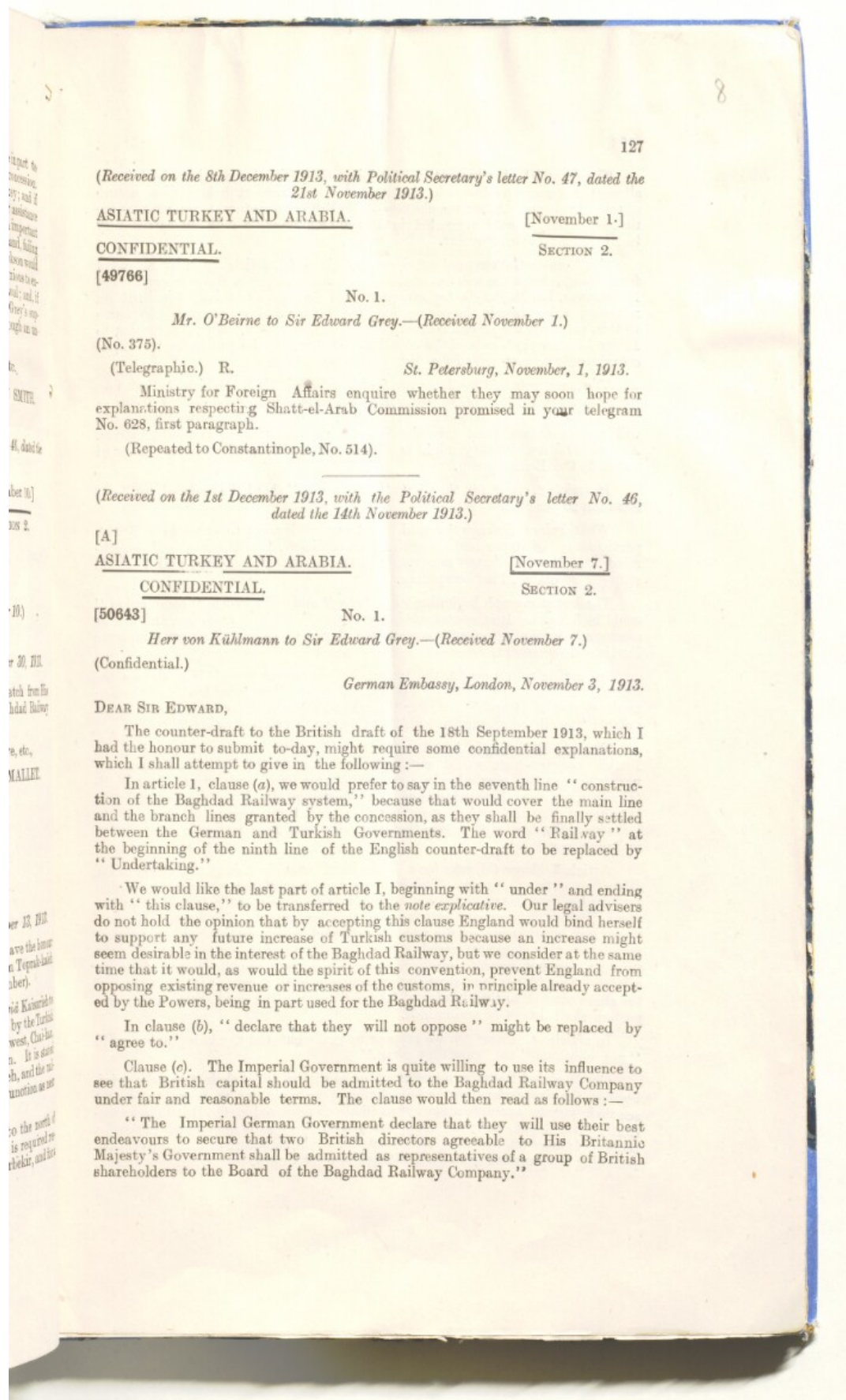
*Adana, October 13, 1913.*

With reference to my despatch No. 45 of the 31st July last, I have the honour to report that the branch line of the Baghdad Railway Company from Toprak-kaleh to Alexandretta will probably be opened to traffic next month (November).

With regard to the contemplated branch line from Ulu Kishla *via* Kaisarieh to Sivas, it is stated that Ulu Kishla is favoured as the point of junction by the Turkish Government, while the railway company would prefer a point further west, Chai-han, between Ulu Kishla and Konia being mentioned in this connection. It is stated that great natural difficulties exist between Ulu Kishla and Kaisarieh, and the railway company are doubtless also influenced by a desire to have the junction as near the port of Haidar Pasha as possible.

I learn that surveys and studies will shortly be undertaken to the north of Diarbekir, in the direction of Sivas. It is stated that information is required respecting the route of the branch line from El Halif *via* Mardin to Diarbekir, and for a contemplated extension *via* Kharput and the Dersim to Sivas.







The Imperial Government is of opinion that this clause might be left out altogether if a group of British shareholders can be formed before the signature of this agreement. As for the election of the British directors, I am glad to see that the arrangements suggested in Prince Lichnowsky's note are satisfactory to His Majesty's Government.

The German Government considers that clause (c), article 1, in its amended form should better be left out of the convention and put in the *note explicative*. If, however, His Majesty's Government could not agree to this, but insisted on retaining this clause in the convention, the Imperial Government would agree to this, provided the second section of clause (c), article 2, which, according to Prince Lichnowsky's note of the 16th July 1913, was to be put in the *note explicative*, would be restored to the text of the convention.

The prospects laid by Herr von Gwinner before Sir H. Babington Smith on the 14th June 1913, were, to use a financial expression, ground-floor terms as favourable as could be offered at that period. The Baghdad Railway Company will try to obtain from the Turkish Government more favourable terms. Any concession which they might be able to secure will be offered as a matter of course to the British group.

In article 2, clause (d), the words "50 per cent." should be replaced by "not less than 20 per cent."

What Prince Lichnowsky said about our willingness to agree to a British participation of 40 per cent. is entirely maintained, but the Imperial Government attaches the greatest importance to this particular wording, and I would strongly recommend its acceptance.

The last paragraph beginning with "any" and ending with "commission" could be left out. It is contained in the Anglo-Turkish Convention, and will be confirmed in the agreement between the Baghdad Railway Company and the Turkish Government.

In article 3, clause (c), the Imperial Government would like to see the words "within the provinces of Mosul and Baghdad" replaced by "in Ottoman territory east of Aleppo," and after "Baghdad Railway Company's lines" interpolated "or in contradiction with that Company's existing rights."

The first alteration is based on the belief that the wording proposed in the British counter-draft would not sufficiently protect the Baghdad Railway interests against the possibility of a competing line from some point of the Mediterranean to Lower Mesopotamia being supported by His Majesty's Government. It is hoped that the plan of constructing a line from Aleppo to Meskene can be successfully dealt with during the Franco-German negotiations about railways in Asia Minor.

Article 4, clause (b), asks for a 20 per cent. participation in the shares of the River Navigation Company. This is the irreducible minimum we must ask for, and nothing less, but this participation could, in the opinion of the Imperial Government, lead to a successful conclusion of this agreement. The German Government lays great stress on the wording proposed, which establishes some sort of parallelism with clause (d), article 2, but it is at the same time understood that the wording does not mean to establish any claim beyond the 20 per cent. share we ask for. This 20 per cent. share is meant to represent a permanent proportion of the share capital, so that in case of future changes in the capitalisation this proportion shall always be maintained.

In article 4, clause (c), we propose to strike out the words beginning with "not continue" till "case they shall."

The Baghdad Railway interests are quite willing to let their transport privileges on the river lapse after the completion of the main line to Basra, but do not see their way to agree to a fixed time limit, as proposed in the British counter-draft. It is hoped, however, that some arrangement, as contemplated in the last section of clause (c), might be concluded before the signature of this convention, rendering the proposed time limit altogether unnecessary.





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In article 5, clause (b), it is proposed to insert after "to use" the words "at their stations on the Rivers Tigris and Euphrates and."

We propose to restore the contents of our former article 5 as article 5 A, or clause (c) of article 5, British counter-draft, in the wording of our counter-proposal. In view of the paramount importance which the Shatt-el-Arab has for our interests, being the only access by sea to the terminus of the great railway in which so much capital has been sunk, it is necessary for us to have a direct assurance from His Majesty's Government that the river will be kept in good conservancy and open under terms of absolute equality.

In article 6 we agree to the first section, but would like a clause added expressly stating that the rights acquired by the capitulations, shall not be impaired.

The Imperial Government thinks that the machinery provided by the second section of article 6 is open to a good deal of criticism, and proposes, if their original article 6 should be accepted, striking out the words from the "Shatt-el-Arab shall" to "of Basra and". Turkey has not ratified The Hague Convention of the 18th October 1907. There does not seem, therefore, to be any real guarantee that the British Government would in every case succeed in making the Turkish Government accept the reference to a Commission of Enquiry, as proposed in the British counter-draft. Such a Commission seems in the opinion of the German Government a rather clumsy instrument and probably there would be a good deal of delay before any decision could be arrived at. The decision of the Commission would in no way have the character of an arbitral decision or any binding character whatsoever. The decision leaves, as stated in article 35 of The Hague Convention, absolute liberty to the parties concerned. It seems, therefore, that if after protracted negotiations the Commission of Enquiry should give a decision unfavourable to the Commission, there would be under the scheme as it stands now no guarantee whatever that the Riverain Commission either changes the objectionable policy or is replaced by a body better adapted for the needs of commerce and navigation. The Imperial Government for the same reasons that have led to ask for the retention of article 5 A attaches great importance to get a direct undertaking from His Majesty's Government concerning dues on the Shatt-el-Arab.

The desire to retain the second part of our article 6 beginning with "That dues shall" has no doubt contributed to the desire to let our article 6 stand as proposed by us. Therefore, it seems advisable in case the retention of our article 6 should not be agreed to, to attach its second part to article 5 A.

In article 7 the Imperial Government agrees to the proposal of the British counter-draft, but would like to see clause (d) retained in a form given in our counter-draft.

Article 8 is agreed to.

Believe me, etc.,  
KUHLMANN.

Enclosure 1 in No. 1.

Memorandum.

The Imperial Government have most carefully examined the confidential memorandum of the 18th September 1913 relative to the Baghdad Railway and allied questions, as well as the draft of an Anglo-German Convention annexed to this document. The German Charge d'Affaires, in accordance with his instructions, has the honour to transmit to Sir E. Grey the result of the above examination in the shape of a new draft of the convention, with the corresponding proposed amendments.

German Embassy, London.

November 4, 1913.

C610FD



Enclosure No. 2 in No. 1.

*Further Draft of Anglo-German Convention.*

ARTICLE 1.

Clause (a). Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

Clause (b). His Britannic Majesty's Government agree to the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

Clause (c). The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted as representatives of a group of British shareholders to the board of the Baghdad Railway Company.

ARTICLE 2.

Preamble, clauses (a) and (b) unchanged.

Clause (c). In the event of the construction of the said branch line from Basra (Zobier) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Baghdad Railway Company's system, and there shall be complete protection against discrimination, direct or indirect.

\* In this event German capital would participate in it, and would be represented on the board of this line under exactly the same conditions and in the same proportion as British capital shall be represented on the board of the Baghdad Railway.

Clause (d). The construction of the proposed port at Basra, authorised by article 23 of the Baghdad Railway Convention of the 5th March 1903, shall be executed by a separate Ottoman Company, wherein British participation, both in the capital and directorate of the port company and in the contracts, if any, for construction and maintenance, shall amount to not less than 20 per cent. of the whole. No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

ARTICLE 3.

Clauses (a) and (b) unchanged.

Clause (c). His Britannic Majesty's Government declare that they will in no case themselves establish or support any claim by any persons or corporations whatsoever to establish, in Ottoman territory east of Aleppo, railway undertakings, in direct competition with the Baghdad Railway Company's lines, or in contradiction with that company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

Clause (a). Unchanged.

Clause (b). His Britannic Majesty's Government declare that they will not oppose the acquisition by the Baghdad Railway interests of not less than 20 per

\* This clause would be inserted in the note *explicative* if His Majesty's Government agreed to have clause (c) article 1, embodied in this note.





cent. of the whole share capital out of the shares allotted to Turkish interests in the Ottoman company for river navigation, and their representation on the board of the aforesaid company by one director out of the share of the directorate allotted to Turkish interests.

Clause (c). It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Baghdad Railway Convention of the 5th March, 1903, relative to the conveyance of materials exclusively destined for the construction of the Baghdad Railway, except in so far that it is hereby expressly agreed that the said rights shall cease on the completion of the construction of the Baghdad Railway to Basra.

Paragraph 2 unchanged.

ARTICLE 5.

Preamble and clause (a) unchanged.

Clause (b). The Baghdad Railway Company shall have the right to use at their stations on the Rivers Tigris and Euphrates, and within the limits of the port of Bagdad, exclusively for the service of the railway and the said port, small launches, as well as ferries for the transport of passengers and goods from one bank to the other. Such launches shall not exceed tons British measurement.

ARTICLE 5 A.

His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure that the Shatt-el-Arab shall be brought into and permanently kept in a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra, and to secure, further, that the navigation on the Shatt-el-Arab shall permanently be kept open for sea-going vessels, and be carried on on terms of absolute equality for the vessels of all nations, without regard either to the nationality of the vessels or to their cargoes.

ARTICLE 6.

Paragraph 1 unchanged.

It is, nevertheless, understood that this stipulation in no wise affects the privileges and immunities granted to the German Empire by the Capitulations.

A "Comité de Surveillance" shall be established composed of those foreign consuls resident at Basra whose flag is represented by steamship lines regularly trading with that port. The "Comité" shall correspond directly with the River Commission, to be established by the Imperial Ottoman Government, on all matters affecting the conservancy of the Shatt-el-Arab and the dues to be levied on that river; it is, however, understood that the functions of the "Comité" shall be advisory and not executive. The "Comité" will see that dues shall be imposed, not for the mere fact of navigation, but only for repaying sums actually spent on improvements in the navigation of the Shatt-el-Arab and harbour facilities. They shall in no case exceed 1 fr. per registered ton (the dues to cover the coming in and going out of the same vessel); any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

ARTICLE 7.

The preceding arrangements for the final settlement of all questions connected with the Baghdad Railway shall cease to be operative if the Shatt-el-Arab, after a reasonable time, has not been brought into a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra.

(Article 8 agreed to.)



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(Received on the 18th December 1913, with Political Secretary's letter No. 47, dated the 21st November 1913.)

ASIATIC TURKEY AND ARABIA.

[November 7.]

CONFIDENTIAL.

SECTION 5.

[50552]

No. 1.

*Herr von Kühlmann to Sir Edward Grey.—(Received November 7.)*

(Translation.)

*German Embassy, November 4, 1913.*

YOUR EXCELLENCY,

In the course of negotiations relative to the Baghdad Railway, your Excellency expressed the wish (memorandum of the 29th August, 1913) to receive certain assurances respecting the publication of rates of freight on the Baghdad Railway. The Imperial Government are ready, by means of an exchange of notes, to declare as follows: The Baghdad Railway Company have assured the Imperial Government that all rates of freight and conditions of transport shall be duly ("ange-messen") published, and the same with every change proposed therein; further, that any change in these conditions or rates of freight, both increases and decreases, shall be published at least two months before they come into force. The imperial Government will do their best to keep the Baghdad Railway Company to these assurances.

It would perhaps be most practical for the notes exchanged to be signed at the same time as the Baghdad Railway Convention.

I have, etc.,  
KÜHLMANN.

(Received on the 1st December 1913, with Political Secretary's letter No. 46, dated the 14th November 1913.)

[B]

ASIATIC TURKEY AND ARABIA.

[November 7.]

CONFIDENTIAL.

SECTION I.

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No. 1.

*Sir Edward Grey to German Chargé d'Affaires.*

Sir E. Grey presents his compliments to the German Chargé d'Affaires and has the honour to state, for the confidential information of the German Government, that Hakki Pasha has recently communicated to the Foreign Office, a telegram which his Highness had received from Djavid Bey, at present in Berlin, asking for the full text of the declarations which, in the opinion of His Highness, should be signed by the Ottoman Government and the Baghdad Railway Company with reference to the terminus of the line and cognate matters.

Hakki Pasha, wishing to expedite the negotiation and to preclude all possibility of misunderstanding, has requested His Majesty's Government to assist him in the preparation of a draft, and Sir E. Grey, with similar objects, has, as Herr von Kühlmann is aware, authorised his Department to enter into informal, and mutually non-committal, communication with the German Embassy on the subject.

His Majesty's Government now propose to inform Hakki Pasha forthwith that the following text appears to meet the case:—

"Article 1<sup>er</sup>. La Société du Chemin de Fer de Baghdad renonce à la concession de la construction et de l'exploitation de l'embranchement partant de Basra (Zobér) ou de tout autre point de la ligne et aboutissant à un point du Golfe





Persique (article 1<sup>er</sup> (4), de la convention du 20 février (5 mars), 1903), ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même convention).

" Art. 2. Les droits de la société concernant la construction et l'exploitation des ports à Bagdad et à Basra (article 23 de la convention précitée) seront conférés à deux sociétés anonymes ottomanes *ad hoc*. Les conventions relatives à ces ports et les statuts des sociétés à constituer contiendront des dispositions sauvegardant expressément les droits de la Commission fluviale à établir pour l'amélioration des conditions de navigation sur le Chatt-el-Arab. Les conventions et statuts susmentionnés contiendront également des dispositions assurant aux marchandises transportées par voie d'eau et à celles transportées par chemin de fer un traitement identique.

" Art. 3. La Société du Chemin de Fer de Bagdad, ayant pris connaissance de la convention anglo-ottomane concernant les chemins de fer en Turquie d'Asie, parvenue à Londres le 12 août, 1913, déclare, en tant qu'elle entre en cause, adhérer aux stipulations de ladite convention.

" Art. 4. Le Gouvernement Impérial ottoman s'engage à exécuter les travaux nécessaires à l'amélioration des conditions de navigation sur le Chatt-el-Arab. Cet article sera interprété d'après les recommandations indiquées à l'Annexe 1."<sup>\*</sup>

Sir E. Grey would be grateful if he could be informed as soon as possible whether this text commends itself to the German Government and, in the contrary case, if they would formulate their objections at their earliest convenience.

Sir E. Grey has no doubt that the German Government share the views of His Majesty's Government as to the great desirability of a rapid conclusion of these negotiations.

Foreign Office, November 7, 1913.

(Received on the 8th December 1913, with Political Secretary's letter No. 47, dated the 21st November 1913).

ENCLOSURES IN FOREIGN OFFICE COVERING LETTER DATED 15TH NOVEMBER 1913.  
CONFIDENTIAL.

(No. 1.)

DRAFT OF PROPOSED AGREEMENT BETWEEN BAGHDAD RAILWAY  
COMPANY AND OTTOMAN GOVERNMENT.

[Text as tentatively suggested to Hakki Pasha by Mr. Parker, November 7, 1913.]

ARTICLE 1.

La Société du Chemin de Fer de Bagdad renonce à la concession de la construction et de l'exploitation de l'embranchement partant de Bassora (Zobéir) ou de tout autre point de la ligne et aboutissant à un point du Golfe Persique (article 1<sup>er</sup>, No. 4, de la convention du 20 février (5 mars), 1903), ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même convention).

ARTICLE 2.

Les droits de la Société concernant la construction et l'exploitation des ports à Bagdad et à Bassora (article 23 de la convention précitée), seront conférés à deux sociétés anonymes ottomanes *ad hoc*. Les conventions relatives à ces ports et les statuts des sociétés à constituer contiendront des dispositions sauvegardant expressément les droits de la Commission fluviale à établir pour l'amélioration des conditions de navigation sur le Chatt-el-Arab. Les conventions et statuts susmentionnés contiendront également des dispositions assurant aux marchandises transportées par voie d'eau et à celles transportées par chemin de fer un traitement identique.

\* Annex 1 would contain the recommendations drawn up at the conference held at the Foreign Office, September 9, 1913.  
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ARTICLE 3.

La Société du Chemin de Fer de Baghdad, ayant pris connaissance de la convention anglo-ottomane concernant les chemins de fer en Turquie d'Asie, parafée à Londres le 12 août, 1913, déclare, en tant qu'elle entre en cause, adhérer aux stipulations de ladite convention.

ARTICLE 4.

Le Gouvernement Impérial ottoman s'engage à exécuter les travaux nécessaires à l'amélioration des conditions de navigation sur le Chatt-el-Arab. Cet article sera interprété d'après les recommandations indiquées à l'Annexe No. 1.

Annex No. 1.

*Li de Recommendations à faire à la Commission fluviale du Chatt-el-Arab.*

CHAPITRE I.

1. La Commission se mettrait à l'œuvre dans le plus bref délai possible.
2. La Commission entreprendrait une étude préliminaire d'au moins un an avant de recommander que des frais considérables soient consacrés à des travaux d'art permanents.
3. La Commission viserait de prime abord une profondeur de 24 pieds au-dessous du niveau de la pleine mer de la grande marée.
4. La position d'un banc de sable dans le chenal du fleuve en aval de Mohamera serait indiquée par des bouées, à placer le plus tôt possible.
5. Des bouées d'amarre, réservées dans la mesure du possible aux diverses compagnies de navigation, seraient placées dans le port de Bassora dans un bref délai.
6. La Commission pourrait avoir avantage à prendre comme modèle, d'un manière générale, les arrangements analogues de la Commission du Danube en tant que ces derniers seraient applicables au cas présent.

CHAPITRE II.

1. Etant donné que les droits seront perçus à raison du tonnage et sans distinction sur tout bâtiment à force motrice qui passerait la barre à l'embouchure du fleuve, il serait à recommander que.

(a) Un droit réduit (inférieur au maximum de 1 fr. par ton à prélever éventuellement) serait à percevoir afin de satisfaire au service d'un emprunt suffisant à couvrir les dépenses du personnel et de l'étude préliminaire susmentionnée, ainsi que les autres débours indispensables. Ledit droit suffirait à faire face au paiement des intérêts et de l'amortissement de l'emprunt dans un délai de trente ans.

(b) Le cas échéant, il serait émis des emprunts ultérieurs, destinés à couvrir les frais des travaux que la Commission se déciderait à entreprendre.

2. Il est d'ailleurs à recommander que des revenus spécifiques tels que les recettes douanières de Bassora, ou leur excédent, soient assignés au service des emprunts mentionnés sous les catégories (a) et (b), et que, en tant que les droits de tonnage à percevoir n'y suffiraient pas, tout déficit soit comblé au moyen des revenus spécifiques, qui seraient à réserver éventuellement aux fins requises.

[Note.—The following addition was suggested to Mr. Parker by Hakki Pasha on November 9 :—]

“ Le droit de tonnage spécifié à l'article 1<sup>er</sup>. (a) devra être, en tout cas, éventuellement porté au maximum de 1 fr. par tonne en tant que les frais de la Commission et le service d'intérêt et d'amortissement des emprunts contractés le rendront nécessaire à l'achèvement des travaux pour lesquels les emprunts auraient été contractés. La garantie par les recettes douanières ne sera maintenue que pour parer l'insuffisance de ce droit maximum et jusqu'à ce que l'accord ultérieur prévu par l'article 16 de la convention signée le 29 juillet, 1913, soit intervenu.”





(No. 2.)

DRAFT OF PROPOSED AGREEMENT BETWEEN OTTOMAN GOVERNMENT AND BAGDAD RAILWAY COMPANY.

[Communicated by Hakki Pasha, who had received it from Djavid Bey, November 11, 1913.]

I.

Bassora est fixé comme point terminus de la ligne du Chemin de Fer de Bagdad.

La Société du Chemin de Fer de Bagdad renonce à tous ses droits de construire et d'exploiter l'embranchement partant de Bassora (Zobéir) et aboutissant au Golfe Persique, mentionné au chiffre 4 de l'article 1<sup>er</sup> de la Convention du Chemin de Fer de Bagdad, du 5 mars, 1903.

Elle renonce également à la construction et à l'exploitation, soit en conformité de l'article 23 de cette même convention, soit en vertu de toute autre stipulation, d'un port ou d'un terminus maritime du chemin de fer sur le Golfe Persique.

II.

La Société du Chemin de Fer de Bagdad confirme qu'aucune tarification différentielle ne sera appliquée sur son réseau, et que les articles de même nature à transporter entre les mêmes points seront traités sur le même pied d'une parfaite égalité, quels qu'en soient leur propriétaire, leur origine ou leur destination.

Elle consent en outre à ce que les délais fixés par l'article 21 de son cahier des charges, touchant les avis préalables à donner en cas de modification des conditions ou des prix des tarifs soient uniformément portés à deux mois.

Ces avis seront insérés dans le Journal officiel du Gouvernement Impérial ottoman, le Journal de la Chambre de Commerce ottomane et dans un autre journal publié en langue européenne.

III.

En cas d'un embranchement de Bassora (Zobéir), ou de tout autre point de la ligne principale au Golfe Persique, des arrangements seront conclus en vue de faciliter le trafic, direct, sans rupture de charge, de et vers le réseau de Chemin de Fer de Bagdad, et il y aura sur cet embranchement une complète protection contre toute tarification différentielle, soit directe ou indirecte, comme il est prévu à l'article 2, alinéa, 1<sup>er</sup>, pour le Chemin de Fer de Bagdad.

IV.

Le Gouvernement Impérial ottoman s'engage à exécuter les travaux nécessaires pour l'amélioration des conditions de la navigation sur le Chatt-el-Arab, comme aussi de maintenir le chenal du fleuve libre de tout espèces d'obstacles, de manière que les navires de mer d'un tirant de pieds puissent passer sans encombre au moins jusqu'au port de Bassora.

V.

La construction et l'exploitation du port de Bassora, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurés par une société anonyme ottomane à former dans ce but, et dont les actes de concession et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

Le Gouvernement Impérial ottoman se réserve le droit de conférer ses droits de contrôle sur le port de Bassora à la commission qu'il se propose de charger de l'amélioration et du maintien de la navigabilité du Chatt-el-Arab.

VI.

En ce qui concerne le port de Bagdad, la Société du Chemin de Fer de Bagdad conserve son droit de le construire et de l'exploiter elle-même.



VII.

Aucuns frais généralement quelconques, n'importe sous quel titre, ne seront imposés dans les ports de Bassora et de Bagdad aux navires et aux marchandises, quels que soient la nationalité, le propriétaire, le pays d'origine ou de destination des marchandises, et quels que soient les lieux de provenance ou de destination des navires et des marchandises, en tant qu'il ne s'agira pas d'une mesure générale applicable indistinctement et uniformément à tout le monde, sans exception et sans privilège spécial d'aucune sorte en faveur de qui que ce soit.

Pour tout ce qui concerne le stationnement, l'embarquement et le débarquement des navires dans ces deux ports, aucuns privilèges ou facilités ne sauraient être accordés à des navires généralement quelconques, en tant qu'ils ne seront pas accordés également et dans les mêmes conditions, à tous les autres navires.

VIII.

La Société du Chemin de Fer de Bagdad aura le droit d'assurer les communications avec ses stations, partout que de besoin, par l'établissement de services de transbordement entre les deux rives des fleuves, au moyen de remorqueurs, de barcasses ou de toutes autres embarcations à vapeur ou à moteur, chalands, &c., de 80 tonnes registrées anglaises au maximum. La Société aura également le droit d'affecter à ces mêmes services des ferryboats d'un tonnage supérieur.

Ce matériel fluvial jouira de toutes les exemptions de droits d'entrée et autres dont jouit le matériel roulant du chemin de fer, et il sera de même exonéré de tous impôts, redevances ou taxes généralement quelconques de navigation et autres.

Les combustibles nécessaires pour ces services jouiront de la franchise douanière au même titre que ceux consommés par le chemin de fer, et celui-ci aura le droit d'en opérer le transport dans les mêmes conditions que ceux destinés à son exploitation.

Les recettes des services susvisés restent acquises à la Société du Chemin de Fer de Bagdad.

(No. 3.)

*Official German Draft of proposed Agreement between Bagdad Railway Company and Ottoman Government.*

(Communicated by Herr von Kühlmann, November 14, 1913.)

I.

La Société du Chemin de Fer de Bagdad renonce à la concession de la construction et l'exploitation de l'embranchement partant de Bassora (Zobéir) ou de tout autre point de la ligne et aboutissant à un point du Golfe Persique [article 1<sup>er</sup>, No. 4, de la Convention du 20 février (5 mars,) 1903], ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même Convention.)

II.

La Société du Chemin de Fer de Bagdad confirme qu'elle continuera comme par le passé à appliquer à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, un régime parfaitement égal, tant pour le tarif en vigueur qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient respectivement:

- (a) Le pays d'origine des marchandises importées dans l'Empire ottoman;
- (b) Le pays de destination des marchandises exportées de l'Empire ottoman;
- (c) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman; et
- (d) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises sont importées ou exportées par les ports ottomans.





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La Société du Chemin de Fer de Bagdad consent, en outre, à ce que les délais fixés par l'article 21 de son Cahier des Charges, touchant les avis préalables à donner en cas de modifications des conditions ou des prix des tarifs, soient uniformément portés à deux mois.

Ces avis seront insérés dans le Journal officiel du Gouvernement Impérial ottoman et dans le Journal de la Chambre de Commerce ottomane de Constantinople.

Les mots "les mêmes conditions" employés dans le présent article signifient les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre), la même catégorie de marchandises et les mêmes stations de départ et d'arrivée.

Ces dispositions s'étendront dans la mesure où elles y sont applicables au régime appliqué par la Société du Chemin de Fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leurs bagages. Toutefois, elles ne s'appliqueront pas au transport des émigrés et des indigents et de leurs bagages. Aux fins du présent alinéa, le terme "émigrés" se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la Commission des Emigrés.

### III.

En cas d'exécution d'un embranchement de Bassora ou de tout autre point de la ligne principale, au Golfe Persique, des arrangements seront conclus en vue de faciliter le trafic direct, sans rupture de charge, de et vers le réseau du Chemin de Fer de Bagdad, et il y aura sur cet embranchement une protection complète contre toute tarification différentielle, soit directe ou indirecte, comme cela est prévu à l'article 2 pour le Chemin de Fer de Bagdad.

### IV.

Le Gouvernement Impérial ottoman s'engage à exécuter les travaux nécessaires pour l'amélioration des conditions de la navigation sur le Chatt-el-Arab, comme aussi de maintenir le chenal du fleuve libre de toutes espèces d'obstacles, de manière que les navires de mer d'un tirant de 24 pieds puissent passer sans encombre, au moins jusqu'au port de Bassora.

### V.

La construction et l'exploitation du port de Bassora, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurées par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

Le Gouvernement Impérial ottoman se réserve le droit de conférer ses droits de contrôle sur le port de Bassora à la commission qu'il se propose de charger de l'amélioration et du maintien de la navigabilité du Chatt-el-Arab.

### VI.

En ce qui concerne le port de Bagdad, la Société du Chemin de Fer de Bagdad aura le droit, soit de le construire et de l'exploiter elle-même, soit de conférer la construction et l'exploitation à une société à constituer *ad hoc*, dont la concession et les statuts seront analogues à ceux de la société à former pour la construction et l'exploitation du port à Bassora.

### VII.

Aucuns frais généralement quelconques, n'importe sous quel titre, ne seront imposés dans les ports de Bassora et de Bagdad aux navires et aux marchandises, quels que soient la nationalité, le propriétaire, le pays d'origine ou de destination des marchandises, et quels que soient les lieux de provenance ou de destination des navires et des marchandises, en tant qu'il ne s'agira pas d'une mesure générale applicable indistinctement et uniformément à tout le monde, sans exception et sans privilège spécial d'aucune sorte, en faveur de qui que ce soit.

Pour tout ce qui concerne le stationnement, l'embarquement et le débarquement des navires dans ces deux ports, aucuns privilèges ou facilités ne sauraient



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être accordés à des navires généralement quelconques, en tant qu'ils ne seront pas accordés également et dans les mêmes conditions, à tous les autres navires.

#### VIII.

La Société du Chemin de Fer de Bagdad aura le droit d'assurer les communications avec ses stations, partout que de besoin, par l'établissement de services de transbordement entre les deux rives des fleuves, au moyen de remorqueurs, de barcasses ou de toutes autres embarcations à vapeur ou à moteur, chalands, &c., de 80 tonnes registre anglais au maximum. La Société aura également le droit d'affecter à ces mêmes services des ferry-boats d'un tonnage saupérieur.

Ce matériel fluvial jouira de toutes les exemptions de droits d'entrée et autres, dont jouit le matériel roulant du chemin de fer, et il sera de même exonéré de tous impôts, redevances ou taxes généralement quelconques, de navigation et autres.

Les combustibles nécessaires pour ces services jouiront de la franchise douanière au même titre que ceux consommés par le chemin de fer, et celui-ci aura le droit d'en opérer le transport dans les mêmes conditions que ceux destinés à son exploitation.

Les recettes des services susvisés restent acquises à la Société du Chemin de Fer de Bagdad.

*Revised Draft by Mr. Hurst of Article 6 of Anglo-German Convention.*

#### ARTICLE 6.

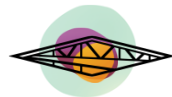
The Imperial German Government having taken note of the Anglo-Turkish Convention of the Shatt-el-Arab<sup>1</sup> is assured to the shipping of all nations and a commission is established for the execution of such works as may be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of the Convention are conducive to the best interests of international commerce, will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

The Imperial German Government take note in this connection of the declaration, signed on the 21st of October 1913 and attached to the said Convention, to the effect that articles 7 and 8 of the above Convention do not affect the rights enjoyed in the Ottoman Empire by the nationals of the Treaty Powers.

His Britannic Majesty's Government on their part undertake that they will not, without a preliminary agreement with the Imperial German Government, consent to the imposition of dues exceeding 1 franc per registered ton.

If at any time the Imperial German Government are of opinion that the duties imposed upon the Commission are not satisfactorily carried out, or that the reasonable requirements of the commerce of the river in matters within the competence of the Commission are not adequately met, and if the Commission in such case has not seen its way to give effect to important recommendations laid before it in the interests of German shipping, with the object of removing the above-mentioned causes of complaint, His Britannic Majesty's Government will use their good offices with the Imperial Ottoman Government to ensure the reference of the questions whether in any particular respects the duties of the Commission have not been satisfactorily carried out, and whether there is good ground for thinking that the Commission, if maintained, will not be able to provide for the reasonable requirements of the commerce of the river to a Commission of Enquiry.





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This Commission shall consist of three members, one of whom shall be appointed by the Imperial Ottoman Government, one by His Britannic Majesty's Government, and one by the Imperial German Government. The member appointed by the Imperial Ottoman Government shall be the President.

The procedure to be followed in the investigation of the questions referred to the Commission shall be determined by the Commission itself, but, subject thereto, shall be in general accordance with that followed by Commissions of Enquiry appointed under the Convention for the Pacific Settlement of International Disputes.

The Commission of Enquiry shall, unless the time is extended with the consent of all parties, publish its report within six months of its appointment. The Government of His Britannic Majesty will use their good offices with the Imperial Ottoman Government to ensure that the proposals contained in such Report are carried out.

(Received on the 8th December 1913, with Political Secretary's letter No. 47, dated the 21st November 1913.)

Copy.

50643-13.

Pressing.

SIR,

FOREIGN OFFICE,

November, 17, 1913.

With reference to my letter No. 51887 of the 15th instant, I am directed by Secretary Sir E. Grey to transmit to you the accompanying copy of a communication from the German Chargé d'Affaires, enclosing the German counter-draft of the proposed Anglo-German Convention respecting the Baghdad Railway and cognate matters.

Sir E. Grey considers that it would be convenient if the German reply and the proposed agreement between the Ottoman Government and the Baghdad Railway Company were discussed at a conference of representatives of the Board of Trade and India Office, and he would suggest that the conference should take place at the Board of Trade, if possible, this week. Mr. Clerk and Mr. Parker would represent the Foreign Office.

He further considers that the negotiations with Herr von Kühlmann should now be conducted orally as far as possible, with a view to expedition.

I am to add that, subject to any recommendations which may be made by the proposed inter-departmental conference, Sir E. Grey is in substantial agreement with the marginal minute printed on the enclosed paper; he would, however, deprecate an explanatory note, as he is of opinion that the convention itself ought to be so clear and precise as to require no explanation, and such a note as proposed would only have sense if it were in the nature of further stipulations not to be published. He entertains strong objections to any secret stipulations.

I am,

SIR,

Your most obedient, humble Servant,

(Signed) EYRE A. CROWE.

The Under Secretary of State,

India Office.



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[A]

ASIATIC TURKEY AND ARABIA.

CONFIDENTIAL.

[50643]

No. 1.

Herr von Kühlmann to Sir Edward  
Grey.—(Received November 7).

(Confidential).

German Embassy, London,  
November 3, 1913.

DEAR SIR EDWARD,

The counter-draft to the British draft of the 18th September 1913, which I had the honour to submit to-day, might require some confidential explanations, which I shall attempt to give in the following:—

In article 1, clause (a), we would prefer to say in the seventh line "construction of the Baghdad Railway system," because that would cover the main line and the branch lines granted by the concession, as they shall be finally settled between the German and Turkish Governments. The word "Railway" at the beginning of the ninth line of the English counter-draft to be replaced by "Undertaking."

We would like the last part of article 1, beginning with "under" and ending with "this clause," to be transferred to the *note explicative*. Our legal advisers do not hold the opinion that by accepting this clause England would bind herself to support any future increase of Turkish customs because an increase might seem desirable in the interest of the Baghdad Railway, but we consider at the same time that it would, as would the spirit of this convention prevent England from opposing existing revenue or increases of the customs, in principle already accepted by the Powers, being in part used for the Baghdad Railway.

In clause (b), "declare that they will not oppose" might be replaced by "agree to."

Clause (c). The Imperial Government is quite willing to use its influence

[November.]

SECTION 7.

Minute by Mr. Parker.

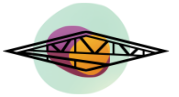
Provided it is expressly agreed, perhaps in the *note explicative* referred to by Herr von Kühlmann, that the drafting of article 1, clause (a), does not in advance preclude His Majesty's Government from opposing future variations of the concession, and provided His Majesty's Government are furnished with authentic copies of all existing agreements between the Ottoman Government and the Germans, including the modifications now under discussion with Djavid Bey, I do not think exception need be taken to the words "system" and "undertaking." It is, however, essential that His Majesty's Government should know precisely what they are asked to agree to.

There does not seem the same objection to leaving out these words from the convention if they are inserted in the *note explicative*, which might advantageously define their somewhat ambiguous meaning.

I think this is an improved wording in which His Majesty's Government might certainly concur.

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The original idea of securing the appointment of two British directors was to guard against discrimination in rates; subsequently the German Government pointed out that in practice this could only be arranged by such directors representing British shareholders, and to this His Majesty's Government agreed.

I am, however, doubtful as to whether this text should be adopted. The words "as representatives of a group of British shareholders" appearing in the body of the convention appear to lend the official support of His Majesty's Government to active British participation in the Bagdad Railway—and such an attitude might, in view of the past history of the question, be difficult to defend.

It is indeed matter for consideration whether, as the German Government suggest, clause (c) of article 1 should not be left out of the convention and put in the *note explicative*. As very great importance is not, I believe, attached by the Board of Trade to the appointment of British directors at all (so far as discrimination against British trade is concerned) it might be best to omit all mention of such appointments even in the *note explicative*, thus leaving it open to British financiers to participate on their own terms as regards representation on the board. This would enable us to resist the German claim as embodied in the last paragraph of article 2, clause (c), and its insertion either in the convention or in the *note explicative*; that claim is one which the India Office are anxious should be resisted.

The expression "ground-floor terms" can seldom have been so flagrantly misapplied. Herr von Gwinner proposed to Sir H. Babington, Smith, as regards British participation, terms far less favourable than those conceded to the Bagdad Railway Company by their convention of 1903. It was this which prompted the remarks in the British note of 18th September, and in the reply these considerations should be emphasised. At the same time it is true that, owing to the war and other causes, the 1903 concession is financially less attractive than it was at the date of signature.

Instead of 50 per cent. in the port of Basra, we are offered "not less than 20 per cent.," which includes participation

to see that British capital should be admitted to the Bagdad Railway Company under fair and reasonable terms. The clause would then read as follows:—

"The Imperial German Government declare that they will use their best endeavours to secure that two British directors agreeable to His Britannic Majesty's Government shall be admitted as representatives of a group of British shareholders to the Board of the Bagdad Railway Company."

The Imperial Government is of opinion that this clause might be left out altogether if a group of British shareholders can be formed before the signature of this agreement. As for the election of the British directors, I am glad to see that the arrangements suggested in Prince Lichnowsky's note are satisfactory to His Majesty's Government.

The German Government considers that clause (c), article 1, in its amended form should better be left out of the convention and put in the *note explicative*. If, however, His Majesty's Government could not agree to this, but insisted on retaining this clause in the convention, the Imperial Government would agree to this, provided the second section of clause (c), article 2, which, according to Prince Lichnowsky's note of the 16th July, 1913, was to be put in the *note explicative*, would be restored to the text of the convention.

The prospects laid by Herr von Gwinner before Sir H. Babington Smith on the 14th June, 1913, were, to use a financial expression, ground-floor terms as favourable as could be offered at that period. The Bagdad Railway Company will try to obtain from the Turkish Government more favourable terms. Any concession which they might be able to secure will be offered as a matter of course to the British group.

In article 2, clause (d), the words "50 per cent." should be replaced by "not less than 20 per cent."



What Prince Lichnowsky said about our willingness to agree to a British participation of 40 per cent. is entirely maintained, but the Imperial Government attaches the greatest importance to this particular wording, and I would strongly recommend its acceptance.

The last paragraph beginning with "any" and ending with "commission" could be left out. It is contained in the Anglo-Turkish Convention, and will be confirmed in the agreement between the Bagdad Railway Company and the Turkish Government.

In article 3, clause (c), the Imperial Government would like to see the words "within the provinces of Mosul and Bagdad" replaced by "in Ottoman territory east of Aleppo," and after "Bagdad Railway Company's lines" interpolated or "in contradiction with that Company's existing rights."

The first alteration is based on the belief that the wording proposed in the British counter-draft would not sufficiently protect the Bagdad Railway interests against the possibility of a competing line from some point of the Mediterranean to Lower Mesopotamia being supported by His Majesty's Government. It is hoped that the plan of constructing a line from Aleppo to Meskene can be successfully dealt with during the Franco-German negotiations about railways in Asia Minor.

Article 4, clause (b), asks for a 20 per cent. participation in the shares of the River Navigation Company. This is the irreducible minimum we must ask for, and nothing less, but

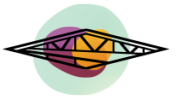
in the construction contracts "if any." The expression "not less than 20 per cent." is retained merely to confuse the German public into believing that there is a parallel between article 2, clause (d), and article 4, clause (b), but it is explained that Germany is still willing in point of fact to let us have 40 per cent. His Majesty's Government gave good reasons for asking for a 50 per cent. participation in their note of the 18th September. If now His Majesty's Government agree to 40 per cent. they might well only do so on condition of British participation in the port of Bagdad as well as in that of Basra. Lord Inchcape considered participation in Bagdad valueless; but the point merits fresh consideration as opportunity for such participation now arises again, and in any case His Majesty's Government should stipulate against discrimination as between vessels of different nationality at the railway port of Bagdad.

It is true that this is not primarily a matter for an Anglo-German convention; but there is, nevertheless, some advantage in securing the German Government's assent to such a stipulation and for this reason it seems well to retain it.

I do not think we can safely agree to the geographical definition, even if the Aleppo-Meskene question is settled. We could hardly mortgage the future as regards any line from the Mediterranean to Lower Mesopotamia; and, as it is, I think we should attach to the convention a map showing the limits of Bagdad and Mosul. As regards the words "or in contradiction with that Company's existing rights," I think we might agree to them subject to a satisfactory settlement of the Mesopotamian oil question.

As 20 per cent. is the maximum we could agree to as regards German participation in the river navigation [article 4, clause (b)] it seems undesirable and indeed deceitful to adopt the wording





"not less than" with regard to such participation. It would ultimately have to be explained in Parliament what the real understanding was, and it thus seems useless to adopt a wording which is not straightforward in the convention. Herr Zimmermann is, I understand, the devoted parent of this ridiculous "parallelism".

It is of great importance that we should secure a time limit; but it seems that we should now first aim at an arrangement as contemplated in the last paragraph of article 4 (c), and that negotiations to this end should be hastened.

This proposed addition goes beyond anything conceded in the Baghdad Railway Convention of 1903, and, from the wording (as read to me by Hakki Pasha), of a draft agreement between the Company and the Ottoman Government, it is evidently the aim of the Company to secure thereby rather extensive rights of navigation. I think the limits of such navigation rights, if conceded, should be carefully restricted, and possibly the services in question might be performed by Lord Incheape's Company in which the Germans are to participate.

His Majesty's Government might possibly undertake to use their best endeavours to this end, but it is considered objectionable to admit the German Government to any share of responsibility.

The "recommendations" made at the informal conference of the 9th September 1913, might be the interpretation of this article, and might be embodied in an annex to this convention.

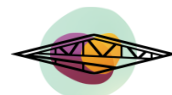
this participation could, in the opinion of the Imperial Government, lead to a successful conclusion of this agreement. The German Government lays great stress on the wording proposed, which establishes some sort of parallelism with clause (d), article 2, but it is at the same time understood that the wording does not mean to establish any claim beyond the 20 per cent. share we ask for. This 20 per cent. share is meant to represent a permanent proportion of the share capital, so that in case of future changes in the capitalisation this proportion shall always be maintained.

In article 4, clause (c), we propose to strike out the words beginning with "not continue" till "case they shall."

The Baghdad Railway interests are willing to let their transport privileges on the river lapse after the completion of the main line to Basra, but do not see their way to agree to a fixed time limit, as proposed in the British counter-draft. It is hoped, however, that some arrangement, as contemplated in the last section of clause (c), might be concluded before the signature of this convention, rendering the proposed time limit altogether unnecessary.

In article 5, clause (b), it is proposed to insert after "to use" the words "at their stations on the Rivers Tigris and Euphrates and."

We propose to restore the contents of our former article 5 as article 5-A, or clause (c) of article 5, British counter-draft, in the wording of our counter-proposal. In view of the paramount importance which the Shatt-el-Arab has for our interests, being the only access by sea to the terminus of the great railway in which so much capital has been sunk, it is necessary for us to have a direct assurance from His Majesty's Government that the river will be kept in good conservancy and open under terms of absolute equality.



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In article 6 we agree to the first section, but would like a clause added expressly stating that the rights, acquired by the capitulations, shall not be impaired.

The Imperial Government thinks that the machinery provided by the second section of article 6 is open to a good deal of criticism, and proposes, if their original article 6 should be accepted, striking out the words from the "Shatt-el-Arab shall" to "of Basra and." Turkey has not ratified The Hague Convention of the 18th October 1907. There does not seem, therefore, to be any real guarantee that the British Government would in every case succeed in making the Turkish Government accept the reference to a Commission of Enquiry, as proposed in the British counter-draft. Such a Commission seems, in the opinion of the German Government, a rather clumsy instrument, and probably there would be a good deal of delay before any decision could be arrived at. The decision of the Commission would in no way have the character of an arbitral decision or any binding character whatsoever. The decision leaves, as stated in article 35 of The Hague Convention, absolute liberty to the parties concerned. It seems, therefore, that if after protracted negotiations the Commission of Enquiry should give a decision unfavourable to the Commission, there would be under the scheme as it stands now no guarantee whatever that the Riverain Commission either changes the objectionable policy or is replaced by a body better adapted for the needs of commerce and navigation. The Imperial Government, for the same reasons that have led to ask for the retention of article 5-A, attaches great importance to get a direct undertaking from His Majesty's Government concerning dues on the Shatt-el-Arab.

The desire to retain the second part of our article 6 beginning with "That dues shall" has no doubt contributed to the desire to let our article 6 stand as proposed by us. Therefore, it seems advisable, in case the retention of our article 6 should not be agreed to,

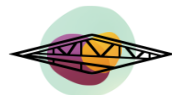
This may, subject to any observations of the Legal Adviser, be agreed to as it is covered by the additional convention signed by Hakki Pasha on the 21st October.

Possibly the words "in no other respects" should be substituted for "in no wise."

From oral explanations of Herr von Kühlmann it is understood that he personally is strongly opposed to a "comité de surveillance," which, he recognises, would be unsatisfactory in practice. It seems therefore advisable to concentrate on the improvement of article 6 of the British draft so as to meet the German criticisms as here expressed. Perhaps Mr. Hurst would suggest an amended wording.

This should be considered in the light of articles 11 and 16 of the Anglo-Turkish Shatt-el-Arab Convention of the 29th July 1913.





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to attach its second part to article 5-A.

Article 7 seems very objectionable.

In article 7 the Imperial Government agree to the proposal of the British counter-draft, but would like to see clause (d) retained in a form given in our counter-draft.

Article 8 is agreed to.

Believe me, etc.,

KÜHLMANN.

[Herr von Kühlmann stated that our request (see note covering our draft of 18th September) concerning the Smyrna-Aidin Railway was under consideration at Berlin, and it was hoped a favourable settlement would be reached.]

I venture to suggest that the most expeditious way of dealing with the German proposals would be for them to be sent, with this minute, to the India Office and Board of Trade with the suggestion that a conference should meet early next week to discuss the nature of the reply. It is important to conclude the agreement as soon as possible.

A. P.

Foreign Office,  
November 11, 1913.

Enclosure 1.

Memorandum.

The Imperial Government have most carefully examined the confidential memorandum of the 18th September 1913, relative to the Baghdad Railway and allied questions, as well as the draft of an Anglo-German Convention annexed to this document. The German Chargé d'Affaires, in accordance with his instructions, has the honour to transmit to Sir E. Grey the result of the above examination in the shape of a new draft of the convention, with the corresponding proposed amendments.

German Embassy, London,

November 4, 1913.

C.626F.D.



Enclosure 2.

*Anglo-German Convention.*

*British Counter-draft of September 18, 1913.*

ARTICLE 1.

*Clause (a).* Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway, or to prevent the participation of capital in this railway, under the express condition that no prejudice of an economic or financial nature is caused to Great Britain in pursuance of this clause.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

*Clause (c).* The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted to the board of the Baghdad Railway Company.

ARTICLE 2.

The Baghdad Railway Company, having concluded with the Imperial Ottoman Government an arrangement on the following basis, the Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to the said arrangement, and will use their best endeavours to secure its due execution :—

*Clause (a).* The terminus of the Baghdad Railway Company's line shall be at Basra, and the Baghdad Railway Company has renounced all claims to construct a branch line from Basra (Zobeir) to the Persian Gulf, referred to in article 1 of the Baghdad Railway Convention of the 5th March 1903, and to build a port or railway terminus on the Persian Gulf, whether under article 23 of the said Baghdad Railway Convention or in any other way derived.

*Anglo-German Convention.*

*German-Counter-draft of November 3, 1913.*

(Note.—Variations are printed in italics.)

ARTICLE 1.

*Clause (a).* Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

*Clause (b).* His Britannic Majesty's Government agree to the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

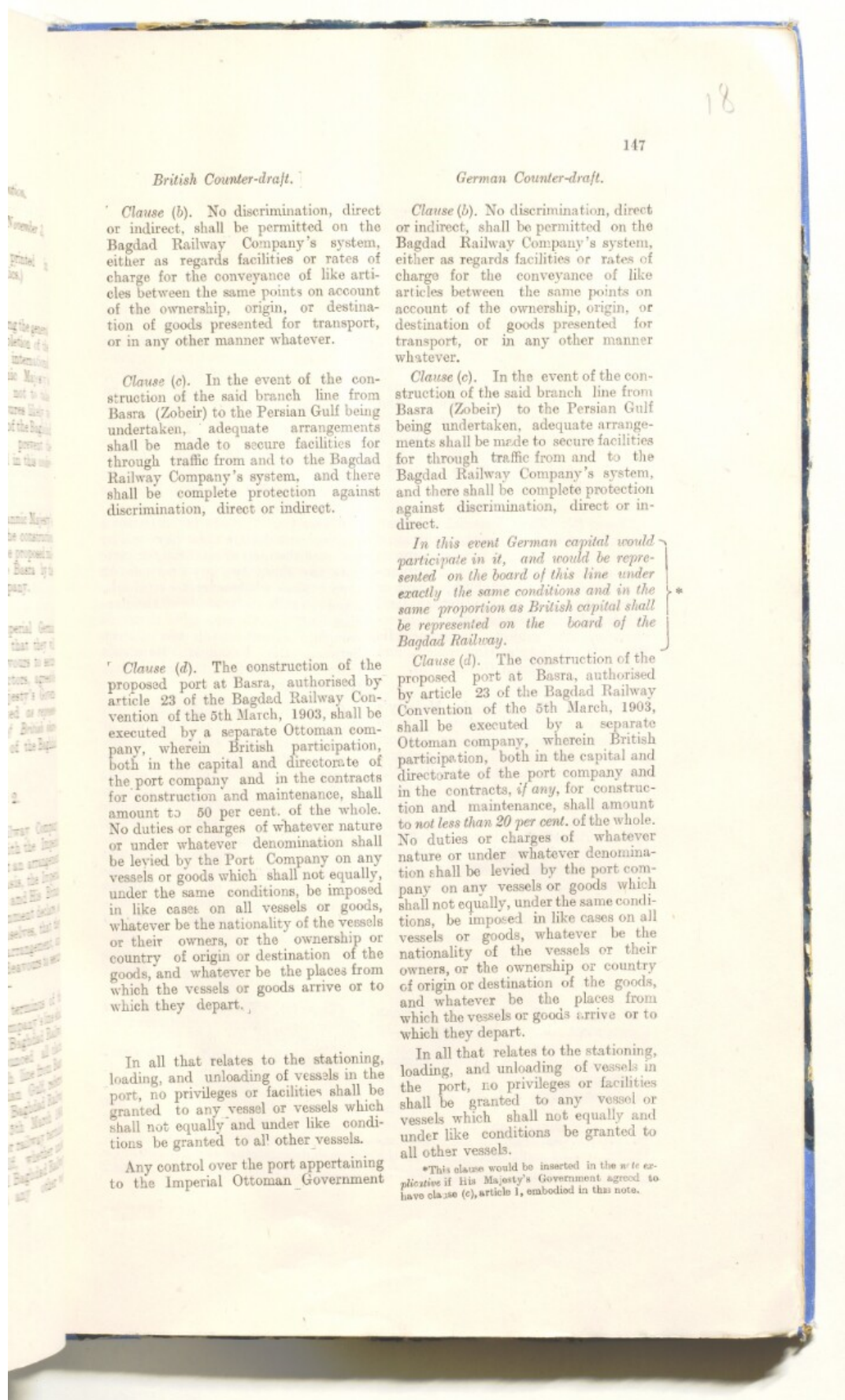
*Clause (c).* The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted as representatives of a group of British shareholders to the board of the Baghdad Railway Company.

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*British Counter-draft.*

*Clause (b).* No discrimination, direct or indirect, shall be permitted on the Bagdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatever.

*Clause (c).* In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Bagdad Railway Company's system, and there shall be complete protection against discrimination, direct or indirect.

*Clause (d).* The construction of the proposed port at Basra, authorised by article 23 of the Bagdad Railway Convention of the 5th March, 1903, shall be executed by a separate Ottoman company, wherein British participation, both in the capital and directorate of the port company and in the contracts for construction and maintenance, shall amount to 50 per cent. of the whole. No duties or charges of whatever nature or under whatever denomination shall be levied by the Port Company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

Any control over the port appertaining to the Imperial Ottoman Government

*German Counter-draft.*

*Clause (b).* No discrimination, direct or indirect, shall be permitted on the Bagdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatever.

*Clause (c).* In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Bagdad Railway Company's system, and there shall be complete protection against discrimination, direct or indirect.

*In this event German capital would participate in it, and would be represented on the board of this line under exactly the same conditions and in the same proportion as British capital shall be represented on the board of the Bagdad Railway.*

*Clause (d).* The construction of the proposed port at Basra, authorised by article 23 of the Bagdad Railway Convention of the 5th March, 1903, shall be executed by a separate Ottoman company, wherein British participation, both in the capital and directorate of the port company and in the contracts, if any, for construction and maintenance, shall amount to not less than 20 per cent. of the whole. No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

\*This clause would be inserted in the note explanatory of His Majesty's Government agreed to have clause (c), article I, embodied in this note.



*British Counter-draft.*

shall be exercised through the proposed Ottoman River Conservancy Commission.

ARTICLE 3.

*Clause (a).* The Imperial German Government and His Britannic Majesty's Government declare that they will in no case support the construction of a branch from Basra (Zobeir), or from any point of the main line of the Bagdad Railway, to the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, within the provinces of Mosul and Bagdad, railway undertakings in direct competition with the Bagdad Railway Company's lines, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 1913, on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution, nor support any action directed against the execution, of such declaration, so long as the navigation on the said rivers is maintained in substantial

*German Counter-draft.*

ARTICLE 3.

*Clause (a).* The Imperial German Government and His Britannic Majesty's Government declare that they will in no case support the construction of a branch from Basra (Zobeir), or from any point of the main line of the Bagdad Railway, to the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, in Ottoman territory east of Aleppo, railway undertakings in direct competition with the Bagdad Railway Company's lines, or in contradiction with that company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 1913, on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution, nor support any action directed against the execution, of such declaration, so long as the navigation on the said rivers is maintained

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*British Counter-draft.*

accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Bagdad Railway interests of not more than one-third of the share capital allotted to Turkish interests in the Ottoman Company for river navigation, and their representation on the board of the aforesaid company, by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Bagdad Railway Convention of the 5th March, 1903, relative to the conveyance of materials exclusively destined for the construction of the Bagdad Railway, except in so far that it is hereby expressly agreed that the said rights shall not continue to be exercised for more than five years from the date of signature of the present agreement, unless it is shown that no other satisfactory means are available for the conveyance of the said materials and that in any case they shall cease on the completion of the construction of the Bagdad Railway to Basra.

It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

The concessionnaire, nominated in pursuance of article 3 of the aforesaid declaration of , 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as concerns themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution :—

*Clause (a).* No discrimination shall be permitted by the Ottoman Company for

*German Counter-draft.*

in substantial accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Bagdad Railway interests of *not less than 20 per cent. of the whole share capital out of the shares* allotted to Turkish interests in the Ottoman Company for river navigation, and their representation on the board of the aforesaid company by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article, 9 of the Bagdad Railway Convention of the 5th March, 1903, relative to the conveyance of materials exclusively destined for the construction of the Bagdad Railway, except in so far that it is hereby expressly agreed that the said rights shall cease on the completion of the construction of the Bagdad Railway to Basra.

It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

The concessionnaire, nominated in pursuance of article 3 of the aforesaid declaration of , 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as concerns themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution :—

*Clause (a).* No discrimination shall be permitted by the Ottoman Company for



*British Counter-draft.*

river navigation, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever. The Company shall grant no through bills of lading, rebates, or other privileges of any description in respect of goods carried by any ship between any place served by the Company's vessels and any place oversea, unless the same privileges are accorded in respect of similar goods carried under the same conditions and in the same direction between the same places by all ships regularly trading between those places, irrespective of nationality.

*Clause (b).* The Baghdad Railway Company shall have the right to use within the limits of the ports of Baghdad and Basra and exclusively for the service of the railway and the said ports, small launches, as well as ferries for the transport of passengers and goods from one bank to the other. Such launches shall not exceed tons British measurement.

*German Counter-draft.*

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*Clause (b).* The Baghdad Railway Company shall have the right to use at their stations on the Rivers Tigris and Euphrates, and within the limits of the port of Bagdad, exclusively for the service of the railway and the said port, small launches, as well as ferries for the transport of passengers and goods from one bank to the other. Such launches shall not exceed tons British measurement.

ARTICLE 5 A.

*His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure that the Shatt-el-Arab shall be brought into and permanently kept in a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra, and to secure, further, that the navigation on the Shatt-el-Arab shall permanently be kept open for sea-going vessels, and be carried on on terms of absolute equality for the vessels of all nations, without regard either to the nationality of the vessels or to their cargoes.*

ARTICLE 6.

The Imperial German Government having taken note of the Anglo-Turkish Convention of under which the free navigation of the Shatt-el-Arab is assured to the shipping of all nations and a commission is established for the execution of such works as may be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of

ARTICLE 6.

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*British Counter-draft.*

the Convention are conducive to the best interests of international commerce, will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

If at any time the Imperial German Government are of opinion that the duties imposed upon the Commission are not satisfactorily carried out, or that the reasonable requirements of the commerce of the river in matters within the competence of the Commission are not adequately met, and if the Commission in such case has not seen its way to give effect to important recommendations laid before it in the interests of German shipping, with the object of removing the above-mentioned causes of complaint, His Britannic Majesty's Government will use their good offices with the Imperial Ottoman Government to ensure the reference to a Commission of Enquiry, appointed in accordance with article 12 of the Convention of 1907 for the Pacific Settlement of International Disputes, of the questions whether in any particular respects the duties of the Commission have not been satisfactorily carried out, and whether there is good ground for thinking that the Commission, if maintained, will not be able to provide for the reasonable requirements of the commerce of the river.

ARTICLE 7.

(See Article 6 of British draft.)

ARTICLE 8.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter, the case shall be submitted to The Hague Tribunal.

*German Counter-draft.*

the Convention are conducive to the best interests of international commerce, will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

*It is, nevertheless, understood that this stipulation in no wise affects the privileges and immunities granted to the German Empire by the Capitulations.*

A "Comité de Surveillance" shall be established composed of those foreign consuls resident at Basra whose flag is represented by steamship lines regularly trading with that port. The "Comité" shall correspond directly with the River Commission, to be established by the Imperial Ottoman Government, on all matters affecting the conservancy of the Shatt-el-Arab and the dues to be levied on that river; it is, however, understood that the functions of the "Comité" shall be advisory and not executive. The "Comité" will see that dues shall be imposed, not for the mere fact of navigation, but only for repaying sums actually spent on improvements in the navigation of the Shatt-el-Arab and harbour facilities. They shall in no case exceed 1 fr. per registered ton (the dues to cover the coming in and going out of the same vessel); any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

ARTICLE 7.

The preceding arrangements for the final settlement of all questions connected with the Bagdad Railway shall cease to be operative if the Shatt-el-Arab, after a reasonable time, has not been brought into a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra.

ARTICLE 8.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter, the case shall be submitted to The Hague Tribunal.



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*(Received on the 8th December 1913, with Political Secretary's letter, No. 47, dated the 21st November 1913.)*

INDIA OFFICE,  
WHITEHALL,  
LONDON, S. W.  
19th November 1913.

P. 4704.

IMMEDIATE.

SIR,

I am directed by the Secretary of State for India to acknowledge the receipt of your letter No. 50643 of the 17th instant regarding the German counterdraft of the Anglo-German convention respecting the Bagdad Railway, &c., and to say that he has instructed Sir A. Hirtzel to attend the proposed interdepartmental conference.

The Marquess of Crewe agrees with the Secretary of State for Foreign Affairs in deprecating an explanatory note and secret stipulations.

I have the honour to be,

SIR,

Your most obedient Servant,

(Sd). T. W. HOLDERNESS.

The Under Secretary of State,  
Foreign Office.

*(Received on the 15th December 1913, with Political Secretary's letter, No. 48, dated the 28th November 1913.)*

*Enclosures in Foreign Office covering letters dated the 21st and 22nd November 1913.*

FOREIGN OFFICE,  
22nd November 1913.

Copy.

Immediate and  
Confidential.

No. 52549-13.

SIR,

I have the honour to acknowledge the receipt of your note of the 14th instant in which you state that, as the negotiations between Germany, Great Britain and Turkey relative to the Bagdad Railway are to form one whole, and as it appears highly desirable that the arrangements incorporated in the different treaties and conventions should exactly correspond, it seems expedient for the present merely to initial the agreements with the Turkish Government, in order that it may be easier to insert any necessary alterations in order to bring about complete conformity. You add that, for this reason, the German Government will for the present only initial the agreements to be concluded with Djavid Bey at Berlin.

In conveying to you the thanks of His Majesty's Government for this communication, I have to inform you that the agreement between His Majesty's Government and the Ottoman Government relating to railways in Asiatic Turkey will not be signed yet; but the agreements relating to the Euphrates and Tigris Navigation Concession and to the Shatt-el-Arab Conservancy Commission were,





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as I have already informed His Highness the German Ambassador privately, signed some months ago.

In accordance, however, with the semi-official statement which His Highness made some time ago, that the German Government would regard it as very conciliatory if His Majesty's Government did not publish their agreements with Turkey pending the conclusion of the Anglo-German agreement, His Majesty's Government will defer such publication for some weeks, though they desire to lay papers before Parliament reassembles, and they therefore trust that all the agreements may be concluded before December 31st, 1913.

I have to state further that His Majesty's Government are in full agreement with the German Government as to the importance of complete concordance, and they are also of opinion that any agreements now under discussion with Djavid Bey or Hakki Pasha in which the three Powers, Germany, Turkey, and Great Britain, are interested, should be merely initialled pending direct discussion between Germany and Great Britain.

In conclusion, I have to add that I hope to furnish you at an early date with the observations of His Majesty's Government on the German counter-draft, which you were good enough to communicate to this Department, of the proposed agreement between the Ottoman Government and the Bagdad Railway Company.

I have the honour to be,

With high consideration,

SIR,

Your most obedient, humble servant

(for SIR E. GREY),

EYRE A. CROWE.

Herr von Kühlmann,  
&c., &c., &c.

Translation.

LONDON,

November 14th, 1913.

(52549)

SIR,

I did not fail to communicate at once to the Imperial Government the proposals made by you with regard to the declarations to be made by the Bagdad Railway Company to the Turkish Government. In conformity with my instructions I have to-day communicated to the proper Department in the Foreign Office a copy of the counter proposals which the Imperial Government desire to put forward in connexion with these declarations.

As the negotiations relative to the Bagdad Railway between Germany, England, and Turkey are to form one whole and as it appears highly desirable that the arrangements incorporated in the different treaties and conventions should exactly correspond, it seems expedient for the present merely to initial the agreements with the Turkish Government in order that it may be easier to insert any necessary alterations in order to bring about complete conformity. For this reason the Imperial Government will for the present only initial the agreements to be concluded at Berlin with Djavid Bey.

I have, &c.,

(Sd.) KÜHLMANN.

His Excellency

Sir E. Grey, Bart.

&c. &c., &c.

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(Copy.)

BOARD OF TRADE  
(COMMERCIAL DEPARTMENT),  
GWYDYR HOUSE,  
WHITEHALL,  
LONDON, S. W.

(52464)

Immediate.

November 18th, 1913.

SIR,

I am directed by the Board of Trade to acknowledge the receipt of your letter of the 10th of November (No. 50586), transmitting copy of a communication from the German Chargé d'Affaires relative to the publication of the rates charged on the Bagdad Railway, and of changes therein.

In reply I am to state that in the opinion of the Board the undertaking now offered by the German Government is of a satisfactory nature and to suggest that, should Sir E. Grey see no objection, it should be placed on record in the manner proposed by Herr von Kuhlmann.

I have, &c.,

(Sd.) H. LEWELLYN SMITH.

The Under Secretary of State,  
Foreign Office.

(Received on 15th December 1913, with Political Secretary's letter, No. 48, dated 28th November 1913.)

Enclosures in Foreign Office covering letter dated 24th November 1913.

BOARD OF TRADE,  
GWYDYR HOUSE,  
WHITEHALL, S. W.,  
November 17th, 1913.

(52480)

MY DEAR PARKER,

You mentioned to me some little time ago the possibility of discrimination in respect of railway rates in favour of goods carried by rail from Bussorah to places north of Baghdad, as against goods carried by water to Baghdad and there put on rail for conveyance northward; and enquired if the Board of Trade thought it possible to introduce into the Anglo-Turkish or the Anglo-German agreement any provision to prevent such discrimination.

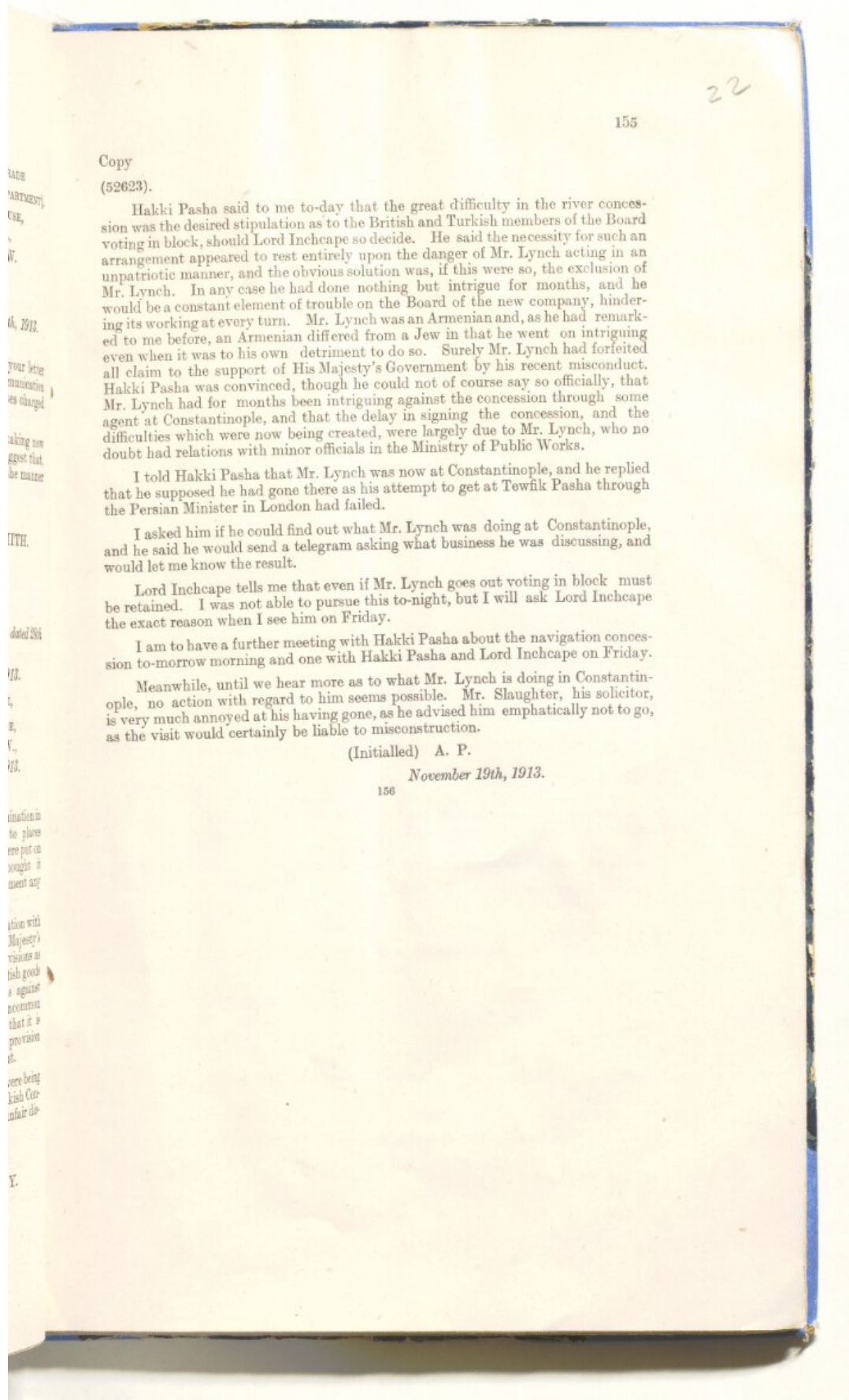
I write now to say that, after very careful consideration and consultation with our Railway Department, it does not appear to us to be possible for His Majesty's Government to take any action in this matter. The purpose of the provisions as to rates introduced into the agreements referred to above is to insure British goods against discrimination of any sort, not to protect the river companies against railway competition. Differentiation of the kind contemplated is a not uncommon feature of traffic competition, and it would be scarcely possible to argue that it is unreasonable or "unfair". And it would be very difficult to frame a provision directed against such differentiation, which could be defended in argument.

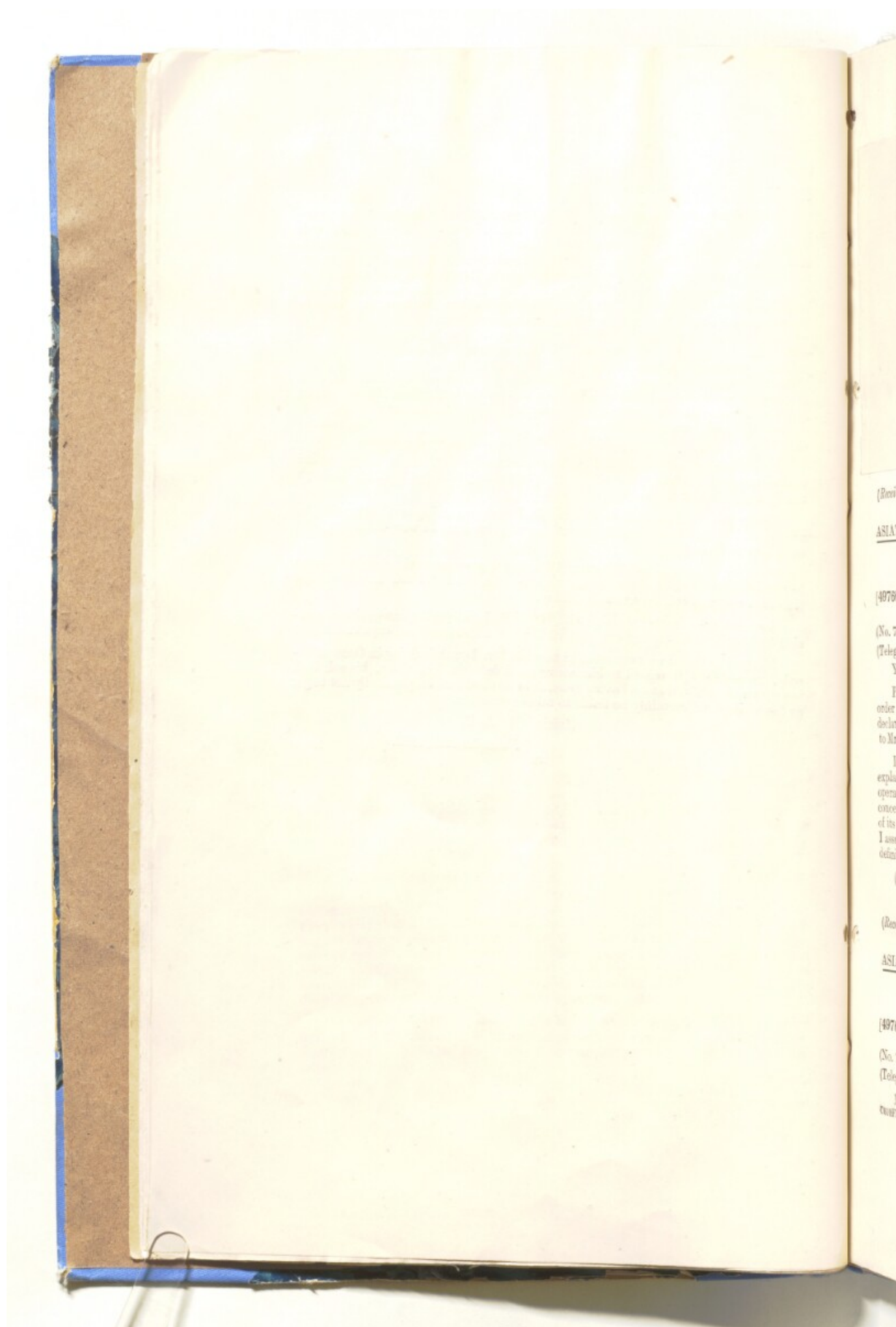
The point was not overlooked when the articles in the agreements were being drafted, but the rather vague provisions of Article 4 as in the Anglo-Turkish Convention seemed to be the best we could devise as protection against unfair discrimination of any kind.

Yours very truly,

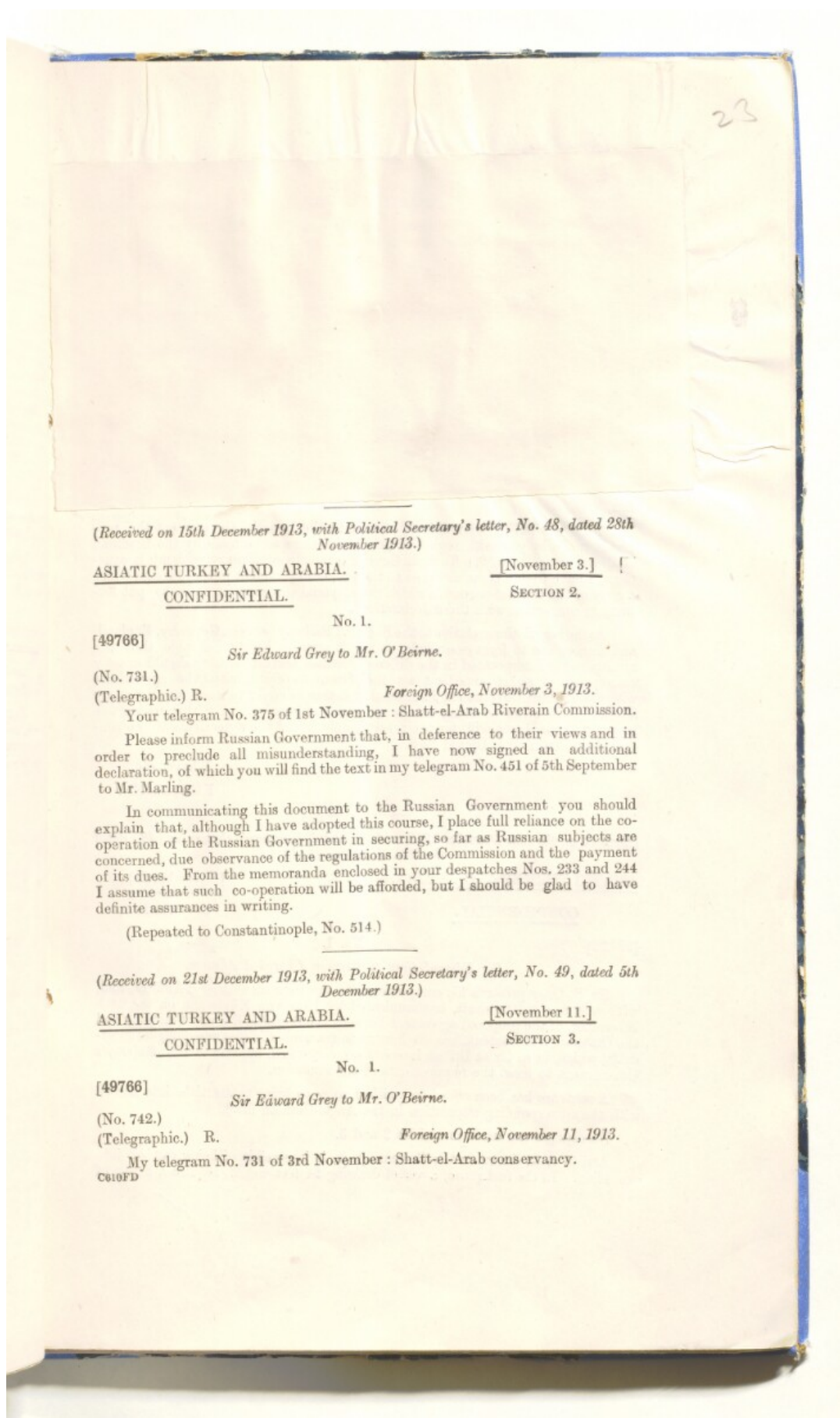
(Sd.) PERCY ASHLEY.











(Received on 15th December 1913, with Political Secretary's letter, No. 48, dated 28th November 1913.)

ASIATIC TURKEY AND ARABIA.

[November 3.]

CONFIDENTIAL.

SECTION 2.

No. 1.

[49766]

*Sir Edward Grey to Mr. O'Beirne.*

(No. 731.)

(Telegraphic.) R.

*Foreign Office, November 3, 1913.*

Your telegram No. 375 of 1st November : Shatt-el-Arab Riverain Commission.

Please inform Russian Government that, in deference to their views and in order to preclude all misunderstanding, I have now signed an additional declaration, of which you will find the text in my telegram No. 451 of 5th September to Mr. Marling.

In communicating this document to the Russian Government you should explain that, although I have adopted this course, I place full reliance on the co-operation of the Russian Government in securing, so far as Russian subjects are concerned, due observance of the regulations of the Commission and the payment of its dues. From the memoranda enclosed in your despatches Nos. 233 and 244 I assume that such co-operation will be afforded, but I should be glad to have definite assurances in writing.

(Repeated to Constantinople, No. 514.)

(Received on 21st December 1913, with Political Secretary's letter, No. 49, dated 5th December 1913.)

ASIATIC TURKEY AND ARABIA.

[November 11.]

CONFIDENTIAL.

SECTION 3.

No. 1.

[49766]

*Sir Edward Grey to Mr. O'Beirne.*

(No. 742.)

(Telegraphic.) R.

*Foreign Office, November 11, 1913.*

My telegram No. 731 of 3rd November : Shatt-el-Arab conservancy.

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I should be glad to learn what action you have taken and whether you expect to obtain the desired assurances shortly. I am anxious to settle this matter, upon which negotiations with Turkey and other Powers depend, without further delay.

(Repeated to Constantinople, No. 527.)

(Received on the 15th December 1913, with Political Secretary's letter No. 48, dated the 28th November 1913.)

ASIATIC TURKEY AND ARABIA.

[November 19].

CONFIDENTIAL.

SECTION 2.

[52549]

No. 1.

*Herr von Kühlmann to Sir Edward Grey.*—(Received November 19).

(Translation.)

*London November 14, 1913.*

SIR,

I did not fail to communicate at once to the Imperial Government the proposals made by you with regard to the declarations to be made by the Baghdad Railway Company to the Turkish Government. In conformity with my instructions, I have to-day communicated to the proper department in the Foreign Office a copy of the counter-proposals which the Imperial Government desire to put forward in connection with these declarations.

As the negotiations relative to the Baghdad Railway between Germany, England, and Turkey are to form one whole, and as it appears highly desirable that the arrangements incorporated in the different treaties and conventions should exactly correspond, it seems expedient for the present merely to initial the agreements with the Turkish Government in order that it may be easier to insert any necessary alterations in order to bring about complete conformity. For this reason the Imperial Government will, for the present, only initial the agreements to be concluded at Berlin with Djavid Bey.

I have, etc.,  
KÜHLMANN.

(Received on the 15th December 1913, with Political Secretary's letter No. 48, dated the 28th November 1913.)

ASIATIC TURKEY AND ARABIA.

[November 25].

CONFIDENTIAL.

SECTION 1.

[53422]

No. 1.

*Sir Edward Grey to German Chargé d'Affaires.*

Sir E. Grey presents his compliments to the German Chargé d'Affaires, and, with reference to the draft, communicated by Herr von Kühlmann on the 14th November, of the proposed agreement between the Baghdad Railway Company and the Ottoman Government, has the honour to transmit the accompanying counter-draft, which, in so far as British interests are concerned, appears to His Majesty's Government to meet the requirements of the situation.

A sentence has been added to article 1 so as to bring that article into accord with the corresponding stipulation in the Anglo-German draft.

No changes are made in articles 2 and 3.

Article 4, as drawn in the German draft, is impossible of being carried into execution. In the first place, a vessel drawing 24 feet would require a depth of





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considerably over 24 feet in the river; in the second place, as the depth on the bar of the Shatt-el-Arab is, as explained in Sir E. Grey's memorandum of the 23rd August, only 11 feet at low water springs, a depth of 24 feet over the bar cannot be attained except at high-water springs, and, even so, such a depth (24 feet) must be regarded as a desirable consummation rather than as an assured possibility.

For this reason His Majesty's Government consider that it would serve no useful purpose, and would indeed formulate an impossible condition, if a more positive or unqualified wording than that contained in the British counter-draft were adopted.

A paragraph has been added to article 5 in order to avoid a conflict of jurisdiction which might otherwise arise.

There is no change in article 6.

A paragraph has been added to article 7 so as to render it more complete.

Article 8 has been modified so as to be more in accord with the British counter-draft of the 18th September of the Anglo-German agreement. The final paragraph has been added after consultation with Lord Inchcape, the concessionaire for the River Navigation Company under the Turkish declaration of the 29th July, 1913. His Lordship is fully prepared to provide, on terms to be mutually agreed, all reasonable facilities to the Baghdad Railway Company; but His Majesty's Government, having regard especially to section 3 of the proposals made on the 7th May, 1913, would be unable to assent to the grant outside Baghdad of such rights as are contemplated in article 8 of the German counter-draft communicated on the 14th November.

Foreign Office, November 25, 1913.

Enclosure in No 1.

(No. 4.)

*Official British Draft of proposed Agreement between Baghdad Railway Company and Ottoman Government.*

(November 25, 1913.)

I.

Bassora est fixé comme point terminus de la ligne du Chemin de Fer de Baghdad.

La Société du Chemin de Fer de Baghdad renonce à la concession de la construction et l'exploitation de l'embranchement partant de Bassora (Zobéir) ou de tout autre point de la ligne et aboutissant à un point du Golfe Persique (article 1<sup>er</sup>, No. 4, de la Convention du 20 février (5 mars), 1903), ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même Convention).

II.

Le Société du Chemin de Fer de Baghdad confirme qu'elle continuera comme par le passé à appliquer à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, un régime parfaitement égal, tant pour le tarif en vigueur qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient respectivement :—

- (a) Le pays d'origine des marchandises importées dans l'Empire ottoman ;
- (b) Le pays de destination des marchandises exportées de l'Empire ottoman ;
- (c) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman ; et
- (d) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises sont importées ou exportées par les ports ottomans.

La Société du Chemin du Fer de Baghdad consent, en outre, à ce que les délais fixés par l'article 21 de son Cahier des Charges, touchant les avis préalables à donner



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en cas de modification des conditions ou des prix des tarifs, soient uniformément portés à deux mois.

Ces avis seront insérés dans le Journal officiel du Gouvernement Impérial ottoman et dans le Journal de la Chambre de Commerce ottomane de Constantinople.

Les mots "les mêmes conditions" employés dans le présent article signifient les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre), la même catégorie de marchandises et les mêmes stations de départ et d'arrivée.

Ces dispositions s'étendront dans la mesure où elles y sont applicables au régime appliqué par la Société du Chemin du Fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leurs bagages. Toutefois, elles ne s'appliqueront pas au transport de émigrés et des indigents et de leurs bagages. Aux fins du présent alinéa, le terme "émigrés" se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la Commission des Emigrés.

### III.

En cas d'exécution d'un embranchement de Bassora ou de tout autre point de la ligne principale, au Golfe Persique, des arrangements seront conclus en vue de faciliter le trafic direct, sans rupture de charge, de et vers le réseau du Chemin de Fer de Baghdad, et il y aura sur cet embranchement une protection complète contre toute tarification différentielle, soit directe ou indirecte, comme cela est prévu à l'article 2 pour le Chemin de Fer de Baghdad.

### IV.

Le Gouvernement Impérial ottoman s'engage à faire exécuter, par la commission mentionnée à l'article V des présentes, les travaux nécessaires pour l'amélioration des conditions de la navigation sur le Chatt-el-Arab, afin de maintenir, dans la mesure du possible, le chenal du fleuve libre de toutes espèces d'obstacles, et ladite commission viserait de prime abord, au moins jusqu'au port de Bassora, une profondeur de 24 pieds au-dessous du niveau de la pleine mer de la grande marée.

### V.

La construction et l'exploitation du port de Bassora, prévues à l'article 23 de la Convention du Chemin de Fer de Baghdad du 5 mars, 1903, seront assurées par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Baghdad.

Le Gouvernement Impérial ottoman se réserve le droit de conférer ses droits de contrôle sur le port de Bassora à la commission qu'il se propose de charger de l'amélioration et du maintien de la navigabilité du Chatt-el-Arab.

Les conventions relatives à ce port et les statuts de la société à constituer contiendront des dispositions sauvegardant expressément les droits de la commission, fluviale à établir pour l'amélioration des conditions de navigation sur le Chatt-el-Arab.

### VI.

En ce qui concerne le port de Baghdad, la Société du Chemin de Fer de Baghdad aura le droit, soit de le construire et de l'exploiter elle-même, soit de conférer la construction et l'exploitation à une société à constituer *ad hoc*, dont la concession et les statuts seront analogues à ceux de la société à former pour la construction et l'exploitation du port à Bassora.

### VII.

Aucuns frais, n'importe sous quel titre, ne seront imposés dans les ports de Bassora et de Baghdad aux navires et aux marchandises, quels que soient la nationalité, le propriétaire, le pays d'origine ou des destination des marchandises, et





quels que soient les lieux de provenance ou de destination des navires et des marchandises, en tant qu'il ne s'agira pas d'une mesure générale applicable indistinctement et uniformément à tout le monde, sans exception et sans privilège spécial d'aucune sorte, en faveur de qui que ce soit.

Pour tout ce qui a rapport aux frais quelconques à imposer dans lesdits ports, et aux facilités à accorder, un traitement identique sera, assurée aux marchandises transportées ou à transporter par voie d'eau et à celles transportées ou à transporter par chemin de fer.

Pour tout ce qui concerne le stationnement, l'embarquement et le débarquement des navires dans ces deux ports, aucuns privilèges ou facilités ne sauraient être accordés à des navires quelconques, en tant que lesdits privilèges et facilités ne seront pas accordés également et dans les mêmes conditions, à tous les autres navires.

#### VIII.

La Société du Chemin de fer de Baghdad aura la faculté d'employer à Baghdad pour le seul service du chemin de fer, des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum et des bacs (ferryboats) d'un tonnage supérieur.

Ladite société, ou la Société du port de Baghdad si telle société est constituée en vertu de l'article 6 des présentes, aura la faculté d'employer à Baghdad des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum, pour le seul transport de son personnel, de ses ouvriers et de son matériel.

Ce matériel fluvial jouira de toutes les exemptions de droits d'entrée et autres, dont jouit le matériel roulant du chemin de fer, et il sera de même exonéré de tous impôts, redevances ou taxes, de navigation et autres.

Les combustibles nécessaires pour ce service jouiront de la franchise douanière au même titre que ceux consommés par le chemin de fer, et celui-ci aura le droit d'en opérer le transport dans les mêmes conditions que ceux destinés à son exploitation.

Les recettes du service susvisé restent acquises à la Société du Chemin de Fer de Baghdad.

En dehors dudit port de Baghdad, et partout où le besoin s'en ferait sentir sur le Tigre ou l'Euphrate, le Gouvernement Impérial Ottoman s'engage à obtenir de la Société Ottomane de Navigation Fluviale à constituer qu'elle se charge de tout service de navigation, y compris celui des bacs, à établir pour les fins du chemin de fer, selon des conditions, et aux endroits, à déterminer de temps en temps par contrat spécial entre les susdites Sociétés.

(Received on the 21st December 1913, with Political Secretary's letter No. 49, dated the 5th December 1913.)

CONFIDENTIAL.

Sir Edward Grey to Mr. O'Beirne (St. Petersburg).

(No. 769.) R.

Foreign Office, November 29, 1913, 6 p.m.

It is not necessary to adopt procedure indicated in final paragraph, which goes beyond anything we desire, and would be impracticable, as both commissioners are Turkish officials, though one is of British nationality.

I am not sure from your telegram if the Russian Government concur in the views of Russian Ambassador as reported in Sir L. Mallet's telegram No. 580 ; but, if they do, please explain that His Majesty's Government have never contemplated exclusion of foreign consul or dragoman concerned under article 7 of convention, and they fail to see how Turkey could possibly oppose the presence of such officials in the face of the additional declaration of 21st October which Haki Pasha has signed.  
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As to article 8, it is expressly laid down that the persons arrested shall be handed over to the "competent authorities"; these authorities would be those recognised under the Capitulations; arrests would, it is true, be carried out in the first instance by the Commission's police, but only in so far as it otherwise might be in practice impossible to effect arrests at all, and immediately after such arrests the consul concerned would be notified and the prisoner handed over to him. Save in such entirely exceptional circumstances, arrests would, in pursuance of the declaration of 21st October, be effected in the normal manner through the consul concerned.

You should discuss the subject fully with Russian Minister for Foreign Affairs and endeavour to induce his Excellency to withdraw his objections with the least possible delay, basing your arguments on the terms of the additional declaration of 21st October. If, however, you are not successful you should telegraph the precise wording which would be acceptable to his Excellency.

(Repeated to Constantinople, No. 555.)

(Received on the 21st December 1913, with Political Secretary's letter No. 49, dated the 5th December 1913.)

CONFIDENTIAL.

Mr. O'Beirne to Sir Edward Grey.—(Received November 29).

St. Petersburg, November 29, 1913,

No. 396.) R.

(November 29, 12.58 p.m.)

Your telegram No. 764 of 26th November: Shatt-el-Arab Riverain Commission.

I pressed the Minister for Foreign Affairs for a reply.

He said that the Russian Government had not the least desire to make difficulties for the Commission, but that the provisions of article 7 and article 8 of the Anglo-Turkish Convention were not consistent with the additional declaration. Russia could not agree to the diminution of her rights under the capitulation, which would be involved by the enforcement of the above-mentioned articles. He would, however, gladly accept any suggestion which would enable her to escape this difficulty without "loss of face" as regards treaty rights.

If no such arrangement as suggested by the Russian Ambassador (Constantinople telegram No. 580) can be considered by His Majesty's Government, I might endeavour to induce the Russian Government to enter into an arrangement with us by which they would delegate the functions of the Russian consul *ad hoc* to the British commissioner, who would keep Russian consulate fully informed of matters affecting Russian subjects. I could argue that this involves no diminution of treaty rights.

(Received on the 21st December 1913, with Political Secretary's letter No. 49, dated the 5th December 1913.)

CONFIDENTIAL.

Mr. O'Beirne to Sir Edward Grey.—(Received December 1, 3.50 p.m.)

St. Petersburg, December 1, 1913.

(No. 397.) R.

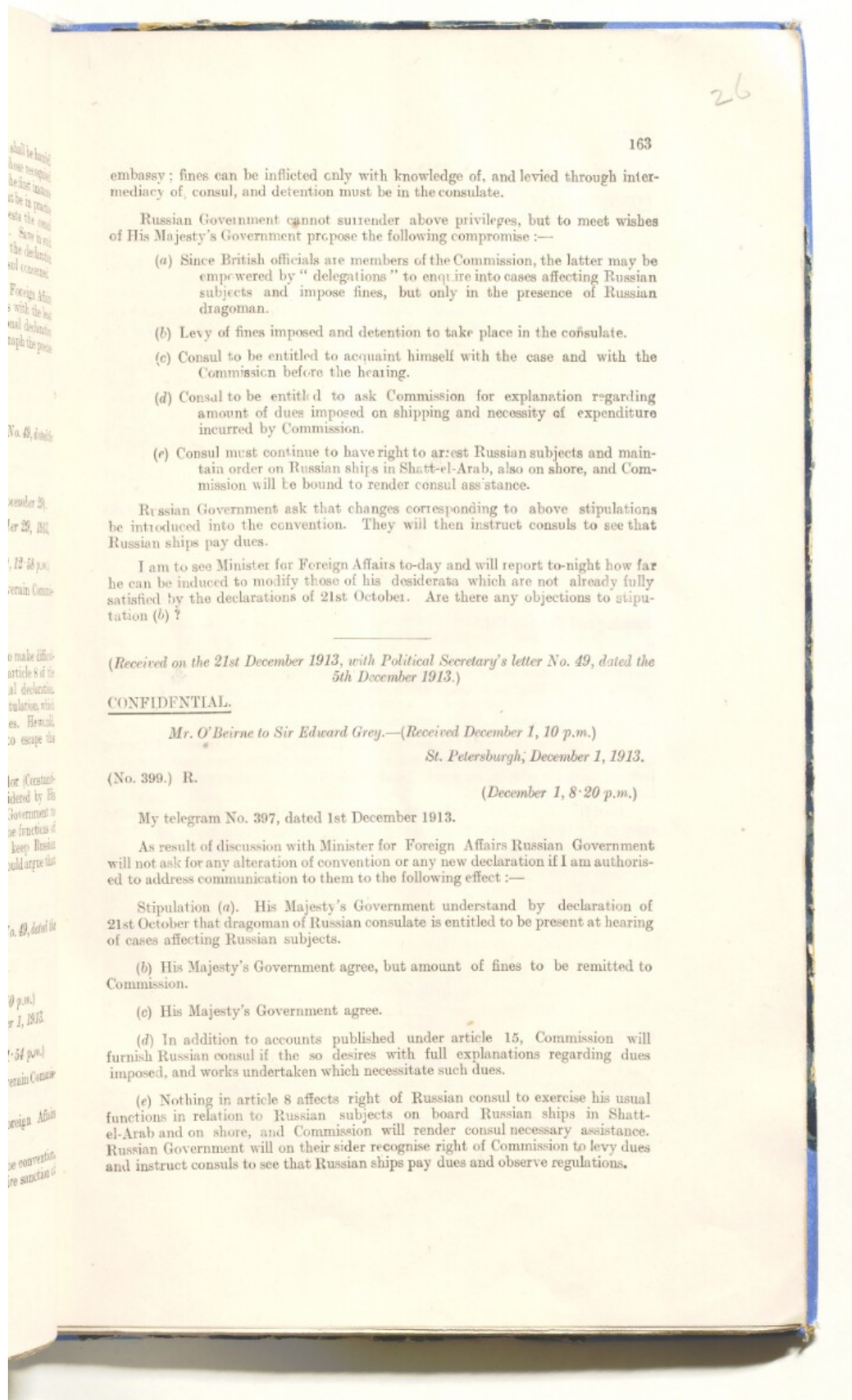
December 1, 1.54 p.m.)

Your telegram No. 769 of 29th November: Shatt-el-Arab: Riverain Commission.

Before I could arrange for discussion with Minister for Foreign Affairs I received from him an *aide-mémoire* to the following effect:—

Additional declaration is in contradiction to articles 7 and 8 of the convention, because, under the Capitulations, all taxes on Russian subjects require sanction of





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embassy: fines can be inflicted only with knowledge of, and levied through intermediary of, consul, and detention must be in the consulate.

Russian Government cannot surrender above privileges, but to meet wishes of His Majesty's Government propose the following compromise:—

- (a) Since British officials are members of the Commission, the latter may be empowered by "delegations" to enquire into cases affecting Russian subjects and impose fines, but only in the presence of Russian dragoman.
- (b) Levy of fines imposed and detention to take place in the consulate.
- (c) Consul to be entitled to acquaint himself with the case and with the Commission before the hearing.
- (d) Consul to be entitled to ask Commission for explanation regarding amount of dues imposed on shipping and necessity of expenditure incurred by Commission.
- (e) Consul must continue to have right to arrest Russian subjects and maintain order on Russian ships in Shatt-el-Arab, also on shore, and Commission will be bound to render consul assistance.

Russian Government ask that changes corresponding to above stipulations be introduced into the convention. They will then instruct consuls to see that Russian ships pay dues.

I am to see Minister for Foreign Affairs to-day and will report to-night how far he can be induced to modify those of his desiderata which are not already fully satisfied by the declarations of 21st October. Are there any objections to stipulation (b)?

(Received on the 21st December 1913, with Political Secretary's letter No. 49, dated the 5th December 1913.)

CONFIDENTIAL.

Mr. O'Beirne to Sir Edward Grey.—(Received December 1, 10 p.m.)

St. Petersburg, December 1, 1913.

(No. 399.) R.

(December 1, 8.20 p.m.)

My telegram No. 397, dated 1st December 1913.

As result of discussion with Minister for Foreign Affairs Russian Government will not ask for any alteration of convention or any new declaration if I am authorised to address communication to them to the following effect:—

Stipulation (a). His Majesty's Government understand by declaration of 21st October that dragoman of Russian consulate is entitled to be present at hearing of cases affecting Russian subjects.

(b) His Majesty's Government agree, but amount of fines to be remitted to Commission.

(c) His Majesty's Government agree.

(d) In addition to accounts published under article 15, Commission will furnish Russian consul if the so desires with full explanations regarding dues imposed, and works undertaken which necessitate such dues.

(e) Nothing in article 8 affects right of Russian consul to exercise his usual functions in relation to Russian subjects on board Russian ships in Shatt-el-Arab and on shore, and Commission will render consul necessary assistance. Russian Government will on their side recognise right of Commission to levy dues and instruct consuls to see that Russian ships pay dues and observe regulations.



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(Received on the 21st December 1913, with Political Secretary's letter No. 49, dated the 5th December 1913.)

CONFIDENTIAL.

*Sir Edward Grey to Mr. O'Beirne (St. Petersburg).*

(No. 779.) R.

*Foreign Office, December 2, 1913, 6.15 p.m.*

Your telegrams Nos. 397 and 399.

The stipulations of the Russian Government appear to me reasonable, and I am willing to adopt procedure proposed on the understanding that (d) will give the Russian consul no right to veto works considered necessary by Commission.

You should draw up texts of proposed communications to and from Russian Government in consultation with Minister for Foreign Affairs, and then submit them to me by telegraph for approval. I will then, before ratifying Convention of 29th July and additional declaration of 21st October, address a note to Hakkı Pasha informing him of exchange of notes with Russia and stating that His Majesty's Government consider that proposals of Russian Government must be regarded as covered by Anglo-Turkish declaration of 21st October.

(Received on the 29th December 1913, with Political Secretary's letter No. 50, dated the 12th December 1913.)

*Copy.*

50643-13.

FOREIGN OFFICE,

11th December 1913.

Pressing and Confidential.

SIR,

With reference to my letter No. 50643 of the 17th ultimo, I am directed by Secretary Sir E. Grey to transmit to you, to be laid before the Secretary of State for India, the accompanying copies of a draft note to the German Chargé d'Affaires respecting the proposed Anglo-German Convention.

Sir E. Grey would be glad to receive the observations of the Marquess of Crewe on this draft and the enclosures, and, as the German Government have recently been pressing for a reply, he would be glad if his Lordship's observations could be furnished as soon as possible.

Lord Inchcape has already been consulted regarding the clauses which especially concern the river navigation, and they are in substantial accord with the corresponding ones in his concession.

I am,

SIR,

Your most obedient, humble servant,

EYRE A. CROWE.

The Under Secretary of State,

India Office.

CONFIDENTIAL.

[50643]

*Draft to German Chargé d'Affaires.*

His Majesty's Government have very carefully considered the counter-draft, communicated by the German Chargé d'Affaires on the 4th November, of the proposed Anglo-German Convention respecting the Baghdad Railway and allied questions, and the note of the 3rd November from Herr von Kühlmann commenting upon this document.





Sir E. Grey now has the honour to transmit a further draft, which is somewhat amended both in form and in substance.

The changes of form are primarily due to exigencies of procedure, and are designed to meet the fact that certain stipulations must necessarily, in the first instance, be agreed between the Ottoman Government and the Baghdad Railway Company or the proposed River Navigation Company, as the case may be.

The changes of substance are largely attributable to the desire of His Majesty's Government to recall the German Government as nearly as possible to the original proposals which they put forward, as a basis of negotiation, on the 7th May, 1913, and from which each successive counter-draft seems to have constituted a further departure. So wide indeed has been the departure that even such important conditions as those contained in section 2 (b) and the first and third sentences of section 3 of the memorandum of that date,—which went far to constitute the credit side of the transaction from the British standpoint,—have now, by the wording of the German counter-draft of the 3rd November, 1913, (article 2, clause (c), last paragraph, article 4, clauses (b) and (c), and article 5, clause (b)), been substantially whittled away.

His Majesty's Government recognise that the proposals made on the 7th May, 1913, were to some extent tentative and non-committal, and they have accordingly not been unwilling, as the German Government are aware, to concede certain important points in the course of negotiation in the interests of a general settlement; but they are persuaded that they cannot go further in this direction without so weakening the conditions secured in British interests as to expose the whole Convention to unanswerable criticism and therefore to insuperable objection. This will be the more apparent when attention is drawn to the following considerations, a course which His Majesty's Government adopt in no controversial spirit.

The principal desiderata of His Majesty's Government have from the first been, and, as indicated in the present British counter-draft, still are, confined to two points:—

(a) That there should be no change detrimental to British interests in what His Majesty's Government regard as the political *status quo* at the head of the Persian Gulf.

(b) That there should be no sort of discrimination against British trade on the Baghdad Railway.

These points are largely covered by section 2 of the memorandum of the 7th May, 1913, and by the proposal, confidentially explained to Herr von Kühlmann on the same date, for the institution of a Riverain Commission on the Shatt-el-Arab.

On the other hand, the desiderata of the German Government, as conceded in the present counter-draft, are relatively not inconsiderable:—

(a) His Majesty's Government agree to an increase in the Turkish customs duties, to be borne largely by British trade which represents some 30 per cent. of the total foreign imports into Turkey; this increase is virtually a *sine qua non* to the successful completion of the Baghdad Railway.

(b) His Majesty's Government undertake not to oppose the construction and management of the proposed railway right down to Basra, the only natural commercial terminus of such a line, by the Baghdad Railway Company. They thereby abandon all claim to British control in the Baghdad-Basra section: it will be recollected that the satisfaction of this claim was at one time a principal condition of British assent to the customs increase.

(c) His Majesty's Government agree that, in the important provinces of Baghdad and Mosul, where British trade has long been predominant, they will support no railway undertakings either in *direct* competition with the Baghdad Railway Company's lines or with that Company's existing rights.

(d) His Majesty's Government agree not to oppose the acquisition by German interests of 40 per cent. of the share capital allotted to Turkey in the proposed Ottoman River Navigation Company.

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(e) His Majesty's Government acquiesce in certain facilities being granted to the Baghdad Railway Company on the River Tigris at Baghdad.

While His Majesty's Government have no desire to exaggerate the disparity between these respective desiderata, they are confident that the German Government will appreciate their attitude in regarding the proposals put forward in the revised counter-draft now enclosed as representing the utmost limit of concession to which they can properly agree.

Sir E. Grey will now proceed to deal *seriatim* with the points raised by Herr von Kühlmann in his covering note of the 3rd November, and to refer when necessary to the corresponding clauses of the counter-draft.

His Majesty's Government are in principle opposed to explanatory notes, holding that a convention itself should be so clear and precise as to require no explanation; nevertheless, they recognise that, in the present instance, many points of detail are involved and that their inclusion in the text of the convention might prove somewhat cumbrous and inconvenient, and they are accordingly prepared to defer to the wish of the German Government, on the distinct understanding that the explanatory note is ratified and published at the same time as the convention.

His Majesty's Government agree to the adoption of the words "system" and "undertaking" as proposed in article 1, clause (a), provided they are first furnished with authentic copies of all existing agreements between the Ottoman Government and the Baghdad Railway Company, including the final text of the supplementary agreements now under discussion at Berlin, as it is clearly essential that they should know precisely what they are asked to agree to; provided also that it is expressly agreed in the explanatory note that their freedom of action with regard to future variations of the concession is not impaired by this wording.

His Majesty's Government would also agree to the inclusion in the explanatory note of the words "under the express condition that no prejudice of an economic or financial nature is caused to Great Britain in pursuance of this clause." They consider further that the obligations of Great Britain under this clause should be defined in the same document. In the view of His Majesty's Government, Great Britain would be bound, after the signature of this convention and the conclusion of all pending negotiations with Turkey, not to oppose the increase of the Turkish customs duties up to 15 per cent. *ad valorem*, and not to oppose the allocation of a portion of this increase or of existing Turkish revenues for the purposes specified in article 35 of the Baghdad Railway Convention of March 1903: such an obligation would not, however, commit His Majesty's Government in advance to support the allocation of any particular revenues, but merely that of adequate revenues, to such purposes.

His Majesty's Government prefer the words "declare that they will not oppose" to those suggested in article 1, clause (b), of the German counter-draft; this undertaking corresponds, moreover, to that which the German Government assume in article 4, clause (a).

The addition suggested by the German Government of the words "as representatives of a group of British shareholders" in article 1, clause (c), does not commend itself to His Majesty's Government. It is essential that there should be British representatives on the board of the Baghdad Railway, and His Majesty's Government attach importance to an assurance from the German Government that they will use their best endeavours to this end; but it appears to them otiose to enter in the Convention into the technical formalities which the admission of such representatives may entail. Herr von Gwinner explained to Mr. Parker at the German Embassy on the 7th June, 1913, that their admission could only take place in a manner such as is suggested in Prince Lichnowsky's note of the 16th July, 1913, and, subject to the successful formation of a British group, His Majesty's Government intimated that the arrangements indicated would be satisfactory. While they adhere to this position, they would point out that they have since taken legal advice respecting the bearing of the statutes of the Baghdad Railway Company and of the provisions of Turkish company law on the question, and they are advised that it would not in fact be contrary either to the

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one or to the other for British representatives with a qualifying holding to be admitted to the board independently of the votes of the shareholders.

[Passage to be inserted here by Board of Trade respecting the "ground-floor terms" offered by Herr von Gwinner to Sir H. Babington Smith on the 14th June, 1913.]

As regards article 2 certain changes have been made, with a view to greater clearness, in the lettering and numbering of the several clauses and sub-clauses: it will be observed that no alteration of wording is made in clause (a), sub-sections (i) and (ii), or in the first paragraph of sub-section (iii); but His Majesty's Government are unable to concur in the proposal that German capital should be represented by directors on the board of any railway which might be built from Basra (Zobeir) to the Persian Gulf. Such a proposal, as has already been pointed out, is in direct conflict with section 2 (b) of the memorandum of the 7th May, 1913; it also appears to His Majesty's Government misleading and inequitable to stipulate that German representation on such a line should be similar as regards conditions and proportion to any British participation on the board of the Baghdad Railway; the counterpart of any such British participation as may be arranged is rather to be found in German participation in the proposed River Navigation Company.

His Majesty's Government attach great importance to all the stipulations which now appear in italics in article 2, clause (a), section (iv) of the British counter-draft being "adhered to" by the German Government in the present Anglo-German Convention, even though they may in the first place be the subject of agreement between the Ottoman Government and the Baghdad Railway Company.

Clauses (b) and (c) of article 2 provide for a British participation, both in the capital and directorate of the company or companies of the ports of Basra and Baghdad, and in the contracts for construction and maintenance, of 40 per cent. of the whole. Such a percentage is, according to Prince Lichnowsky's note of 16th July, what the Baghdad Railway Company are prepared to concede to British interests; as British participation in the port of Basra up to 50 per cent. is not conceded, as suggested in the British note of the 18th September, 1913, His Majesty's Government now revert to the proposal for British participation in both ports.

Clause (d) of article 2 appears very desirable in order to ensure complete equality of treatment.

Clauses (a) and (b) of article 3 have not been altered.

The German Government express a wish that two changes should be made in clause (c) of article 3, viz., that the words "in Ottoman territory east of Aleppo" should be substituted for "in the provinces of Mosul and Baghdad", and that the words "or in contradiction with that Company's existing rights" should be inserted after the words "the Baghdad Railway Company's lines."

His Majesty's Government regret that they cannot possibly agree to an extension of the geographical area under this clause; they have had very great hesitation in agreeing even to the area originally suggested, having regard to the established position of British trade and influence in the provinces specified, but they certainly could not agree to mortgage the future as regards any line which might, at some distant date and under wholly altered conditions, possibly when the Baghdad Railway system is fully developed, be projected from the Mediterranean to Lower Mesopotamia.

His Majesty's Government understand that no project for a competing line with the Baghdad Railway from any point on the Mediterranean is at present under contemplation, and that, as regards the Aleppo-Meskene project, nothing beyond a purely negative obligation has been assumed by the Ottoman Govern-



As regards the second alteration of wording suggested in this clause, His Majesty's Government are prepared to adopt it subject to the insertion of the word "either" after "railway undertakings" and provided a satisfactory settlement respecting the oil concessions in Mosul and Baghdad is reached, as they trust may be the case, before the signature of this Convention.

His Majesty's Government do not consider that there is any parallel in fact between German participation in the River Navigation Company and British participation in the ports of Baghdad and Basra: if it is desired to establish a parallel it should be sought, due regard being had to the relative magnitude of the two concerns, between German representation in the River Navigation Company and British representation in the Baghdad Railway Company, which, under the convention of 1903, include concessions for the ports of Baghdad and Basra.

His Majesty's Government could in no case agree to the wording of article 4, clause (b) of the German counter-draft of the 18th September, any more than they could to that of article 2, clause (d) of the same document: they consider it absolutely indispensable that British participation in the ports should be fixed in precise terms in the convention itself at 40 per cent. of the whole, and that German participation in the navigation should be expressly limited in the convention itself to a stated maximum; they are further of opinion that the real facts of the agreement would have to be revealed eventually in Parliament, and that no object would therefore be gained by their temporary obscuration. If, however, the German Government are anxious to maintain a spectacular parallel, perhaps the wording of article 4, clause (b) of the counter-draft now enclosed might serve the purpose in view. In agreeing not to oppose German participation, to the extent indicated, in the River Navigation Company, His Majesty's Government take formal note of the assurances contained in the German Ambassador's communication of the 16th July 1913, to the effect that the German Government does not aim at any combination which could endanger effective British control of the navigation, and that the German Government would therefore be prepared to receive favourably any proposals about voting arrangements which would seem to His Majesty's Government desirable in order to assure the effective British control of the River Navigation Company.

It will be observed that clause (c) (i) of article 4 has been amended in form, and that the time limit of five years is re-inserted. His Majesty's Government attach cardinal importance to a specific limitation in the duration of the rights of the Baghdad Railway Company under article 9 of the convention of 1903; they must, in pursuance of section 3 of the memorandum of the 7th May 1913, continue to press for such a limitation, which is not moreover inconsistent with the terms of agreement between the Baghdad Railway Company and either the "Société de Transports fluviaux" or Messrs. Lynch Brothers.

Sir E. Grey would add that he understands that Messrs. Lynch Brothers are prepared, so far as they are concerned, to conclude an arrangement such as that contemplated under article 4, clause (c) (ii).

The changes in article 5 (b) have already been explained in substance in Sir E. Grey's memorandum of the 25th November 1913; slight verbal changes have since been made with the object of greater precision.

His Majesty's Government, after the most careful consideration, are not able to agree to stipulations such as are contained in articles 5-A and 7 of the German counter-draft of the 4th November; but they would be willing to agree that article 6 of the British counter-draft should be interpreted, so far as possible, in the light of the recommendations of the 9th September 1913, and that these recommendations should be embodied in the explanatory note: they understand, however, from Hakki Pasha, that the specific revenues named in section II of those recommendations have already been earmarked by anticipation for another purpose—a subject upon which Djavid Bey may possibly be able to throw more light.

While resolutely opposed, for the practical reasons explained in Sir E. Grey's memorandum of the 18th September 1913, to the system of dual control which a "comité de surveillance" would entail, His Majesty's Government have made a considerable modification in the wording of article 6 in order to meet the criticisms

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of the German Government, and they earnestly trust that the draft in its present form will be acceptable. A copy of the Anglo-Turkish declaration, respecting the rights enjoyed by the nationals of the Treaty Powers in Turkey, is enclosed.

In order that the document which formed the enclosure in Sir E. Grey's memorandum of the 25th November 1913, may exactly correspond with the present British counter-draft, a revised version is transmitted herewith.

In conclusion, and while expressing the hope that these negotiations may be completed and the Anglo-German Convention signed in the course of next month, His Majesty's Government would again draw the attention of the German Government to the desiderata of the Smyrna-Aidin Railway Company, which, if dealt with on a sympathetic and broad basis would, they confidently believe, contribute to the ultimate benefit both of the Smyrna-Aidin and the Anatolian Railway systems.

Foreign Office,  
December , 1913.

Enclosure I.

Anglo-German Convention.

Anglo-German Convention.

German Counter-draft of November 3,  
1913.

British Counter-draft of  
1913.

(Note.—Variations from the British draft  
of September 18, 1913, are printed in  
italics.)

(Note.—Variations from the German draft  
of November 3, 1913, are, so far as  
possible, indicated by italics.)

ARTICLE 1.

ARTICLE 1.

Clause (a). Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

Clause (a). Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

Clause (b). His Britannic Majesty's Government agree to the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

Clause (b). His Britannic Majesty's Government declare that they will not oppose the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

Clause (c). The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted as representatives of a group of British shareholders to the board of the Baghdad Railway Company.

Clause (c). The Imperial German Government declare that they will use their best endeavours to secure that two British directors agreeable to His Britannic Majesty's Government shall be admitted to the board of the Baghdad Railway Company.

ARTICLE 2.

ARTICLE 2.

The Baghdad Railway Company, having concluded with the Imperial Ottoman Government an arrangement on the C.610 F.D.

Clause (a). The Baghdad Railway Company having concluded with the Imperial Ottoman Government an



*German Counter-draft.*

following basis, the Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to the said arrangement, and will use their best endeavours to secure its due execution:—

*Clause (a).* The terminus of the Baghdad Railway Company's line shall be at Basra, and the Baghdad Railway Company has renounced all claims to construct a branch line from Basra (Zobeir) to the Persian Gulf, referred to in article 1 of the Baghdad Railway Convention of the 5th March 1903, and to build a port or railway terminus on the Persian Gulf, whether under article 23 of the said Baghdad Railway Convention or in any other way derived.

*Clause (b).* No discrimination, direct or indirect, shall be permitted on the Baghdad Railway Company's system either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin or destination of goods presented for transport, or in any other manner whatever.

*Clause (c).* In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Baghdad Railway Company's system, and there shall be complete protection against discrimination direct or indirect.

*In this event German capital would participate in it, and would be represented on the board of this line under exactly the same conditions and in the same proportion as British capital shall be represented on the board of the Baghdad Railway.*

*Clause (d).* The construction of the proposed port at Basra, authorised by article 23 of the Baghdad Railway Convention of the 5th March 1903, shall be executed by a separate Ottoman Company, wherein British participation, both in the capital and directorate of the port company and in the contracts, if any, for construction and maintenance, shall amount to not less than 20 per cent. of

\* This clause would be inserted in the note *explicative* if His Majesty's Government agreed to have clause (c), article I, embodied in this note.

*British Counter-draft.*

arrangement on the following basis, the Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to the said arrangement, and will use their best endeavours to secure its due execution:—

(i). The terminus of the Baghdad Railway Company's line shall be at Basra, and the Baghdad Railway Company has renounced all claims to construct a branch line from Basra (Zobeir) to the Persian Gulf, referred to in article 1 of the Baghdad Railway Convention of the 5th March 1903, and to build a port or railway terminus on the Persian Gulf, whether under article 23 of the said Baghdad Railway Convention or in any other way derived.

(ii). No discrimination, direct or indirect, shall be permitted on the Baghdad Railway Company's system either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatever.

(iii). In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Baghdad Railway Company's system, and there shall be complete protection against discrimination direct or indirect.

(iv). The construction and exploitation of the proposed port at Basra authorised by article 23 of the Baghdad Railway Convention of the 5th March 1903, shall be carried out by a separate Ottoman Company.

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the whole. No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

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No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

The Imperial Ottoman Government reserves to itself the right to confer upon the Commission, which it proposes to entrust with the improvement and maintenance of the navigability of the Shatt el-Arab, its rights of control over the port of Basra.

The conventions relating to this port, and the statutes of the company to be formed, shall contain provisions expressly preserving the rights of the aforesaid Commission.

Clause (b). The Imperial German Government and His Britannic Majesty's Government agree that they will use their best endeavours to secure that in the separate Ottoman Company for the construction and exploitation of the port of Basra, mentioned in sub-clause (iv) above, British participation, both in the capital and directorate of the port company, and in the contracts for construction and maintenance shall amount to 40 per cent. of the whole.

Clause (c). The Imperial German Government and His Britannic Majesty's Government agree that they will use their best endeavours to secure that in any Ottoman Company for the construction and exploitation of the port of Baghdad, to be formed under article 6 of the agreement between the Baghdad Railway Company and the Imperial Ottoman Government, mentioned in clause (a) of this present article, British participation, both in the capital and directorate of the port company and in the contracts for construction and maintenance, shall amount to 40 per cent. of the whole.



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ARTICLE 3.

*Clause (a).* The Imperial German Government and His Britannic Majesty's Government declare that they will in no case support the construction of a branch from Basra (Zobeir), or from any point of the main line of the Baghdad Railway, to the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, in the provinces of Mosul and Baghdad, railway undertakings either in direct competition with the Baghdad Railway Company's lines or in contradiction with that Company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 1913, on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution nor support any action directed against the execution, of such declaration, so long as the navigation on the said

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*Clause (d).* In all that relates to the dues and charges of whatever nature to be levied, and to the facilities to be accorded, in the ports of Basra and Baghdad, goods arriving or to be forwarded by water shall receive identic treatment to those arriving or to be forwarded by rail.

ARTICLE 3.

*Clause (a).* The Imperial German Government and His Britannic Majesty's Government declare that they will in no case support the construction of a branch from Basra (Zobeir) or from any point of the main line of the Baghdad Railway, to the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support, any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, in Ottoman territory east of Aleppo, railway undertakings in direct competition with the Bagdad Railway Company's lines, or in contradiction with that company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 1913, on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution, nor support any action directed against the execution, of such declaration, so long as the navigation

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rivers is maintained in substantial accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Baghdad Railway interests of 40 per cent. of the share capital allotted to Turkish interests in the Ottoman Company for river navigation, and their representation on the board of the aforesaid company by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Baghdad Railway Convention of the 5th March 1903, relative to the conveyance of materials exclusively destined for the construction of the Baghdad Railway, except in so far that it is hereby expressly agreed that the said rights shall cease on the completion of the construction of the Baghdad Railway to Basra.

It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

The concessionnaire, nominated in pursuance of article 3 of the aforesaid declaration of , 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as concerns

*British Counter-draft.*

on the said rivers is maintained in substantial accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Baghdad Railway interests of not less than 20 per cent. of the whole share capital out of the shares allotted to Turkish interests in the Ottoman Company for river navigation, and their representation on the board of the aforesaid Company by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c) (i).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Baghdad Railway Convention of the 5th March 1903, except in so far that His Britannic Majesty's Government and the Imperial German Government hereby agree and declare, so far as concerns themselves, that they adhere to, and will use their best endeavours to secure the due execution of, the following provisions of the agreement referred to in article 2 of the present convention:—

The Baghdad Railway Company's rights under article 9 of the aforesaid convention of the 5th March 1903, shall not continue to be exercised after the 31st December 1918, unless it is shown that no other satisfactory means are available for the purposes specified in the said article 9, and in any case they shall cease on the completion of the construction of the Baghdad Railway to Basra.

(ii) It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

*Clause (a).* The concessionnaire, nominated in pursuance of article 3 of the aforesaid declaration of , 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as



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themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution:—

*Clause (a).* No discrimination shall be permitted by the Ottoman Company for river navigation, either as regards facilities on rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever. The Company shall grant no through bills of lading, rebates, or other privileges of any description in respect of goods carried by any ship between any place served by the Company's vessels and any place overseas, unless the same privileges are accorded in respect of similar goods carried under the same conditions and in the same direction between the same places by all ships regularly trading between those places, irrespective of nationality.

*Clause (b).* The Baghdad Railway Company shall have the right to use at their stations on the Rivers Tigris and Euphrates, and within the limits of the port of Baghdad, exclusively for the service of the railway and the said port, small launches, as well as ferries for the transport of passengers and goods from one bank to the other. Such launches shall not exceed tons British measurement.

ARTICLE 5-A.

*His Britannic Majesty's Government and the Imperial German Government will use*

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concerns themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution:—

No discrimination shall be permitted by the Ottoman Company for river navigation, either as regards facilities on rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever. The Company shall grant no through bills of lading, rebates, or other privileges of any description in respect of goods carried by any ship between any place served by the Company's vessels and any place overseas, unless the same privileges are accorded in respect of similar goods carried under the same conditions and in the same direction between the same places by all ships regularly trading between those places, irrespective of nationality.

*Clause (b).* The Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to, and will use their best endeavours to secure the due execution of, the following provisions of the agreement referred to in article 2 of the present Convention:—

The Baghdad Railway Company shall have the right, solely for the service of the railway, to employ at Baghdad vessels propelled by steam or by any other motive power, but not exceeding 80 tons British register, and jerry-boats of greater tonnage.

The Port Company referred to in article 2, clause (c), shall have the right to employ at Baghdad vessels propelled by steam or by any other motive power, but not exceeding 80 tons British register, solely for the transport of its officials, workmen, and materials.

At other places on the Tigris or Euphrates wherever the need may arise the Imperial Ottoman Government undertakes that the proposed Ottoman Company of River Navigation shall be responsible for any ferry service required for the purposes of the railway, according to conditions, and at points to be settled from time to time by the above companies by special agreements.

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their best endeavours to secure that the Shatt-el-Arab shall be brought into and permanently kept in a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra, and to secure, further, that the navigation on the Shatt-el-Arab shall permanently be kept open for sea-going vessels, and be carried on on terms of absolute equality for the vessels of all nations, without regard either to the nationality of the vessels or to their cargoes.

ARTICLE 6.

The Imperial German Government having taken note of the Anglo-Turkish Convention of under which the free navigation of the Shatt-el-Arab is assured to the shipping of all nations and a commission is established for the execution of such works as may be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of the Convention are conducive to the best interests of international commerce, will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

It is, nevertheless, understood that this stipulation in no wise affects the privileges and immunities granted to the German Empire by the Capitulations.

A "Comité de Surveillance" shall be established composed of those foreign consuls resident at Basra whose flag is represented by steamship lines regularly trading with that port. The "Comité" shall correspond directly with the River Commission, to be established by the Imperial Ottoman Government, on all matters affecting the conservancy of the Shatt-el-Arab and the dues to be levied on that river; it is, however, understood that the functions of the "Comité" shall be advisory and not executive. The "Comité" will see that dues shall be imposed, not for the mere fact of navigation, but only for repaying sums actually spent on improvements in the navigation of the Shatt-el-Arab and harbour

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ARTICLE 6.

(a) The Imperial German Government having taken note of the Anglo-Turkish Convention of under which the free navigation of the Shatt-el-Arab is assured to the shipping of all nations and a commission is established for the execution of such works as may be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of the Convention are conducive to the best interests of international commerce will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

The Imperial German Government take note in this connection of the declaration, signed on the and attached to the said Convention, to the effect that articles 7 and 8 of the above Convention do not affect the rights enjoyed in the Ottoman Empire by the nationals of the Treaty Powers.

His Britannic Majesty's Government on their part undertake that they will not, without a preliminary agreement with the Imperial German Government, consent to the imposition of dues exceeding 1 franc per registered ton.

(b) If at any time any of the Governments most interested by reason of the magnitude of their shipping on the Shatt-el-Arab are of opinion that the duties imposed upon the Commission are not satisfactorily carried out, or that the reasonable requirements of the com-



facilities. They shall in no case exceed 1 fr. per registered ton (the dues to cover the coming in and going out of the same vessel); any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

ARTICLE 7.

The proceeding arrangements for the final settlement of all questions connected with the Baghdad Railway shall cease to be operative if the Shatt-el-Arab, after a reasonable time, has not been brought into a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra.

ARTICLE 8.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter the case shall be submitted to The Hague Tribunal.

merce of the river in matters within the competence of the Commission are not adequately met, and if the Commission in such case has not seen its way to give effect to important recommendations laid before it in the interests of shipping, with the object of removing the abovementioned causes of complaint, His Britannic Majesty's Government will use their good offices with the Imperial Ottoman Government to ensure the reference to a Board of Enquiry of the questions whether in any particular respects the duties of the Commission have not been satisfactorily carried out, and whether there is good ground for thinking that the Commission, if maintained, will not be able to provide for the reasonable requirements of the commerce of the river.

This Board shall consist of five members to be drawn from the Powers most interested by reason of the magnitude of their shipping in the Shatt-el-Arab; the Ottoman member of this Commission shall be the President.

The Board of Enquiry shall, unless the time is extended with the consent of all parties, publish its report within four months of its appointment. The Government of His Britannic Majesty will use their good offices with the Imperial Ottoman Government to ensure that the proposals contained in such Report are carried out.

ARTICLE 8.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter, the case shall be submitted to The Hague Tribunal.





ENCLOSURE II.

*Revised Official British Draft of proposed Agreement between Bagdad Railway Company and Ottoman Government.*

I.

Bassora est fixé comme point terminus de la ligne du Chemin de Fer de Bagdad.

La Société du Chemin de Fer de Bagdad renonce à la concession de la construction et l'exploitation de l'embranchement partant de Bassora (Zobéir) ou de tout autre point de la ligne et aboutissant à un point du Golfe Persique [article 1<sup>er</sup>, No. 4, de la Convention du 20 février (5 mars), 1903], ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même Convention).

II.

La Société du Chemin de Fer de Bagdad confirme qu'elle continuera comme par le passé à appliquer à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, un régime parfaitement égal, tant pour le tarif en vigueur qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient respectivement:

- (a) Le pays d'origine des marchandises importées dans l'Empire ottoman;
- (b) Le pays de destination des marchandises exportées de l'Empire ottoman;
- (c) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman; et
- (d) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises sont importées ou exportées par les ports ottomans.

La Société du Chemin de Fer de Bagdad consent, en outre, à ce que les délais fixés par l'article 21 de son Cahier des Charges, touchant les avis préalables à donner en cas de modification des conditions ou des prix des tarifs, soient uniformément portés à deux mois.

Ces avis seront insérés dans le Journal officiel du Gouvernement Impérial ottoman et dans le Journal de la Chambre de Commerce ottomane Constantinople.

Les mots " les mêmes conditions " employés dans le présent article signifient les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre), la même catégorie de marchandises et les mêmes stations de départ et d'arrivée.

Ces dispositions s'étendront dans la mesure où elles y sont applicables au régime appliqué par la Société du Chemin de Fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leurs bagages. Toutefois, elles ne s'appliqueront pas au transport des émigrés et des indigents et de leurs bagages. Aux fins du présent alinéa, le terme " émigrés " se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la Commission des Emigrés.

III.

En cas d'exécution d'un embranchement de Bassora ou de tout autre point de la ligne principale, au Golfe Persique, des arrangements seront conclus en vue de faciliter le trafic direct, sans rupture de charge, de et vers le réseau du Chemin de Fer de Bagdad, et il y aura sur cet embranchement une protection complète contre toute tarification différentielle, soit directe ou indirecte, comme cela est prévu à l'article 2 pour le Chemin de Fer de Bagdad.

IV.

Le Gouvernement Impérial ottoman s'engage à faire exécuter, par la commission mentionnée à l'article V des présentes, les travaux nécessaires pour l'amélioration des conditions de la navigation sur le Chatt-el-Arab, afin de maintenir, dans la mesure du possible, le chenal du fleuve libre de toutes espèces d'obstacles, et ladite commission viserait de prime abord, au moins jusqu'au port.



de Bassora, une profondeur de 24 pieds au-dessous du niveau de la pleine mer de la grande marée.

V.

La construction et l'exploitation du port de Bassora, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurées par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

Le Gouvernement Impérial ottoman se réserve le droit de conférer ses droits de contrôle sur le port de Bassora à la commission qu'il se propose de charger de l'amélioration et du maintien de la navigabilité du Chatt-el-Arab.

Les conventions relatives à ce port et les statuts de la société à constituer contiendront des dispositions sauvegardant expressément les droits de ladite commission.

VI.

La construction et l'exploitation du port de Bagdad, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurées par la Société prévue à l'article 5 des présentes ou par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

VII.

Aucuns frais, n'importe sous quel titre, ne seront imposés dans les ports de Bassora et de Bagdad aux navires et aux marchandises, quels que soient la nationalité, le propriétaire, le pays d'origine ou de destination des marchandises, et quels que soient les lieux de provenance ou de destination des navires et des marchandises, en tant qu'il ne s'agira pas d'une mesure générale applicable indistinctement et uniformément à tout le monde, sans exception et sans privilège spécial d'aucune sorte, en faveur de qui que ce soit.

Pour tout ce qui a rapport aux frais quelconques à imposer dans lesdits ports, et aux facilités à accorder, un traitement identique sera assuré aux marchandises transportées ou à transporter par voie d'eau et à celles transportées ou à transporter par chemin de fer.

Pour tout ce qui concerne le stationnement, l'embarquement et le débarquement des navires dans ces deux ports, aucuns privilèges ou facilités ne sauraient être accordés à des navires quelconques, en tant que lesdits privilèges et facilités ne seront pas accordés également et dans les mêmes conditions, à tous les autres navires.

VIII.

La Société du Chemin de Fer de Bagdad aura la faculté d'employer à Bagdad, pour le seul service du chemin de fer, des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum et des bacs (ferry-boats) d'un tonnage supérieur.

Les recettes du service susvisé restent acquises à la Société du Chemin de Fer de Bagdad.

La Société constituée en vertu de l'article 6 des présentes, aura la faculté d'employer à Bagdad des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum, pour le seul transport de son personnel, de ses ouvriers et de son matériel.

Le matériel fluvial susmentionné jouira de toutes les exemptions de droits d'entrée et autres, dont jouit le matériel roulant du chemin de fer, et il sera de même exonéré de tous impôts, redevances ou taxes, de navigation et autres.

Les combustibles nécessaires pour ce service jouiront de la franchise douanière au même titre que ceux consommés par le chemin de fer, et celui-ci aura le





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droit d'en opérer le transport dans les mêmes conditions que ceux destinés à son exploitation.

Partout ailleurs où le besoin s'en ferait sentir, soit sur le Tigre, soit sur l'Euphrate, le Gouvernement Impérial Ottoman s'engage à obtenir de la Société Ottomane de Navigation Fluviale à constituer qu'elle se charge de tout service de bacs, à établir pour les fins du chemin de fer, selon des conditions, et aux endroits, à déterminer de temps en temps par contrat spécial entre les susdites Sociétés.

IX.

Les droits de la Société du Chemin de Fer de Bagdad, découlant de l'article 9 de la Convention du 20 février (5 mars), 1903, ne resteront plus en vigueur à partir du 31 décembre (s. s.), 1918, sauf le cas où il serait démontré qu'il n'existe pas d'autre moyen satisfaisant aux besoins spécifiés audit article 9, et, en tous les cas, lesdits droits seront déterminés dès que la construction du Chemin de Fer de Bagdad aura été complétée jusqu'à Bassora.

Enclosure III.

Déclaration.

Les Soussignés, dûment autorisés à cet effet par leurs Gouvernements respectifs, déclarent ainsi qu'il suit :—

Il est bien entendu que les clauses des articles 7 et 8 de la Convention relative à l'Etablissement d'une Commission pour améliorer les Conditions de la Navigation du Chatt-el-Arab, conclue le 29 juillet, 1913, ne modifient en rien les droits dont jouissent actuellement en Turquie les ressortissants de certaines Puissances en vertu des traités existants.

En foi de quoi les Soussignés ont signé la présente Déclaration.

Fait à Londres, en double original, le 21 octobre, 1913.

E. GREY.

I. HAKKY.

(Received on the 5th January 1914, with the Political Secretary's letter No. 51, dated the 19th December 1913.)

INDIA OFFICE,  
WHITEHALL,  
LONDON, S. W.,  
15th December 1913.

P. 5005.  
Immediate.  
SIR,

In reply to your letter No. 50643 of the 11th instant, regarding the proposed Anglo-German Convention, I am directed by the Secretary of State for India to inform you that he concurs in the terms of the covering note to the German Government, the British counter-draft, and the revised official British draft of the proposed agreement between the Baghdad Railway Company and the Ottoman Government. As it is understood that it is no longer intended to sign the various instruments on the 31st instant, it is possible that the date "31st December 1918" in article 4, clause (C) (1) of the British counter-draft, and in article IX of the British draft agreement between the Baghdad Railway Company and the Ottoman Government, may require alteration.

I have the honour to be,

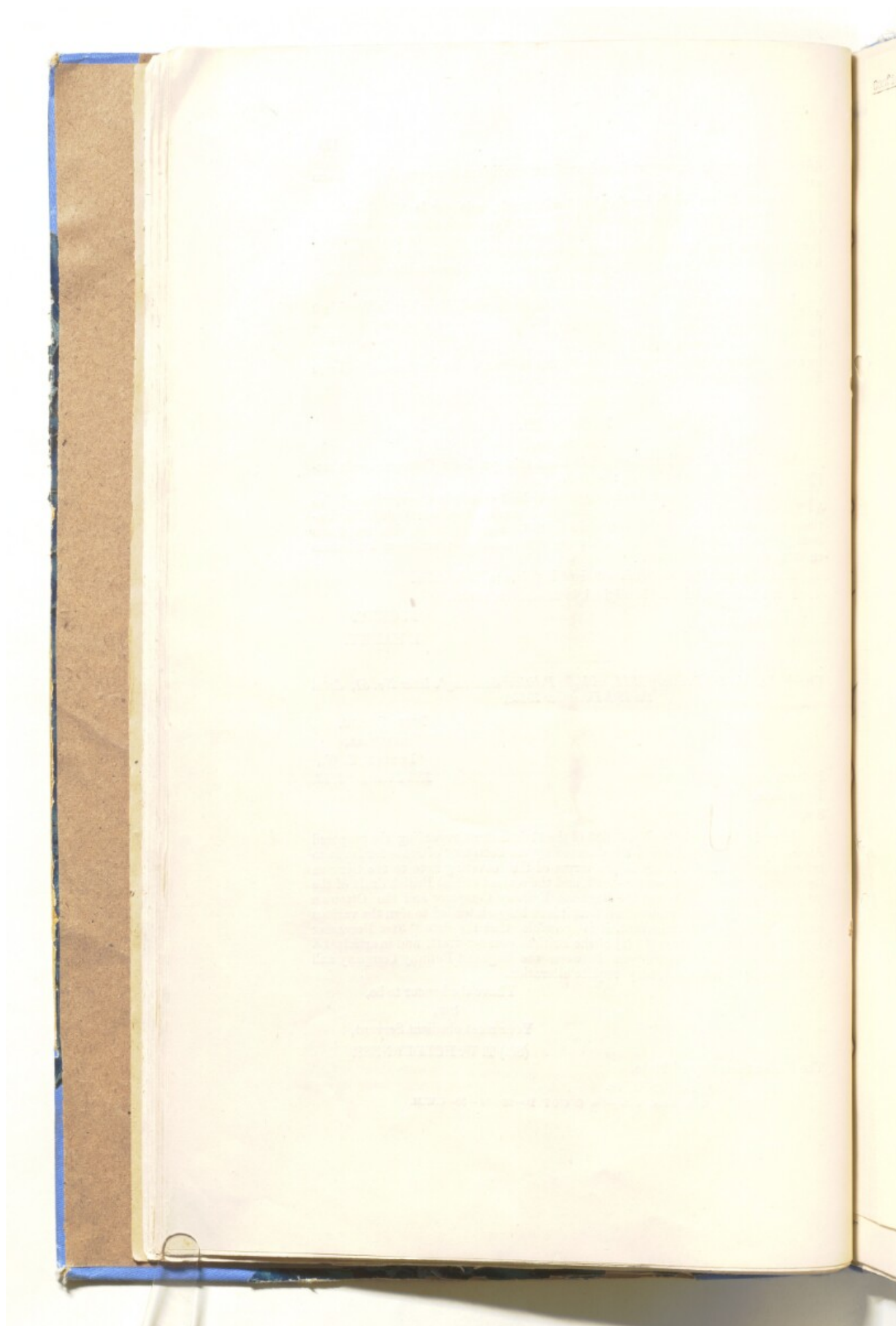
SIR,

Your most obedient Servant,

(Sd.) T. W. HOLDERNESS.

The Under Secretary of State,  
Foreign Office.

G. M. Press, Simla.—No. C 610 F. D.—26-1-14.—30—C.W.M.







Confidential.

✓  
No. 501 of 1914.

British Residency and Consulate-General,  
Bushire, 17<sup>th</sup> February 1914.

A copy of the undermentioned communication is  
forwarded, with compliments, to His Majesty's Consul, for  
Arabistan, Muhammareh, for information, in continuation of this  
Office endorsement No. 3827 of 24th December 1913.

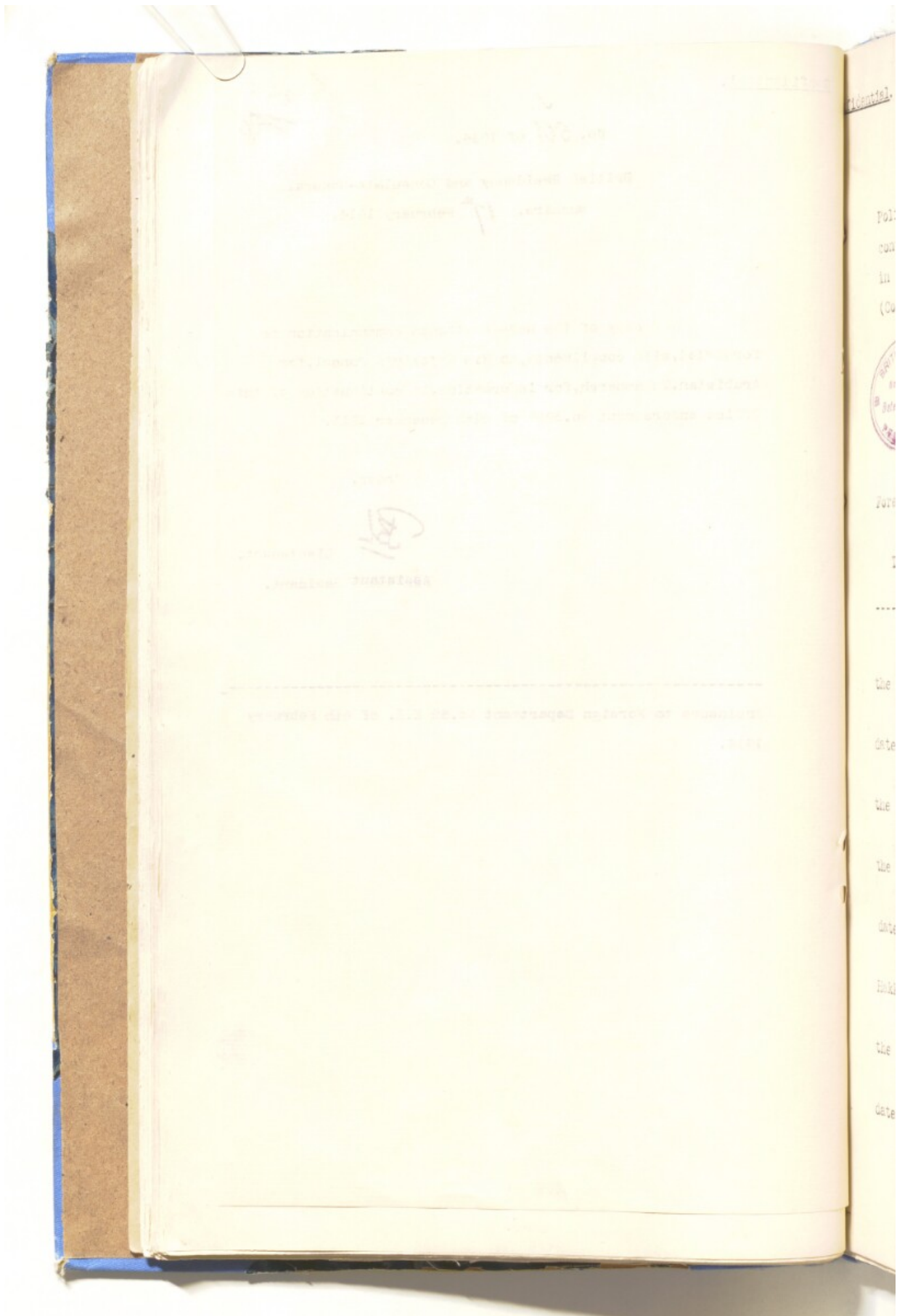
By Order,

*BL*

Lieutenant.

Assistant Resident.

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Enclosure to Foreign Department No. 62 E.A. of 4th February  
1914.





No. 114- E.A.

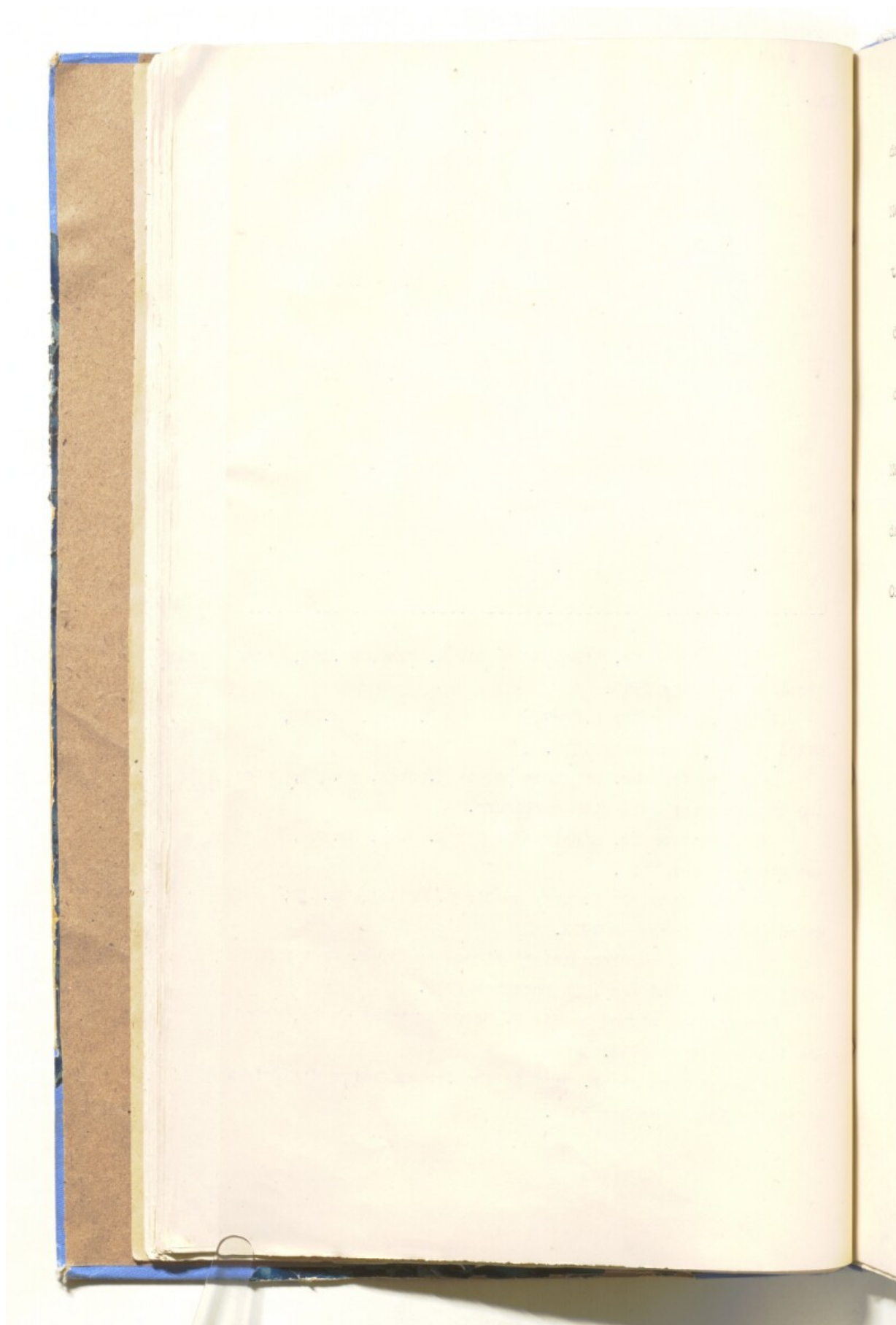
By order, etc.,



simila;

The 23<sup>rd</sup> February 1914.

Despatch from Sir E. Grey to the German Charge d'Affaires dated the 15th December 1913.







37  
Memorandum communicated to the German Charge d'Affaires,  
dated the 15th December 1913 with enclosures.

Letter from the Foreign Office to the India Office,  
No.56624, dated the 19th December 1913.

Despatch from Mr. O'Beirne to Sir E. Grey, No.381, dated  
the 11th December 1913 with enclosures.

Despatch from Sir E. Grey to Sir G. Buchanan, No.432,  
dated the 29th December 1913.

Telegram from Sir L. Mallet to Sir E. Grey, No.619,  
dated the 13th December 1913.

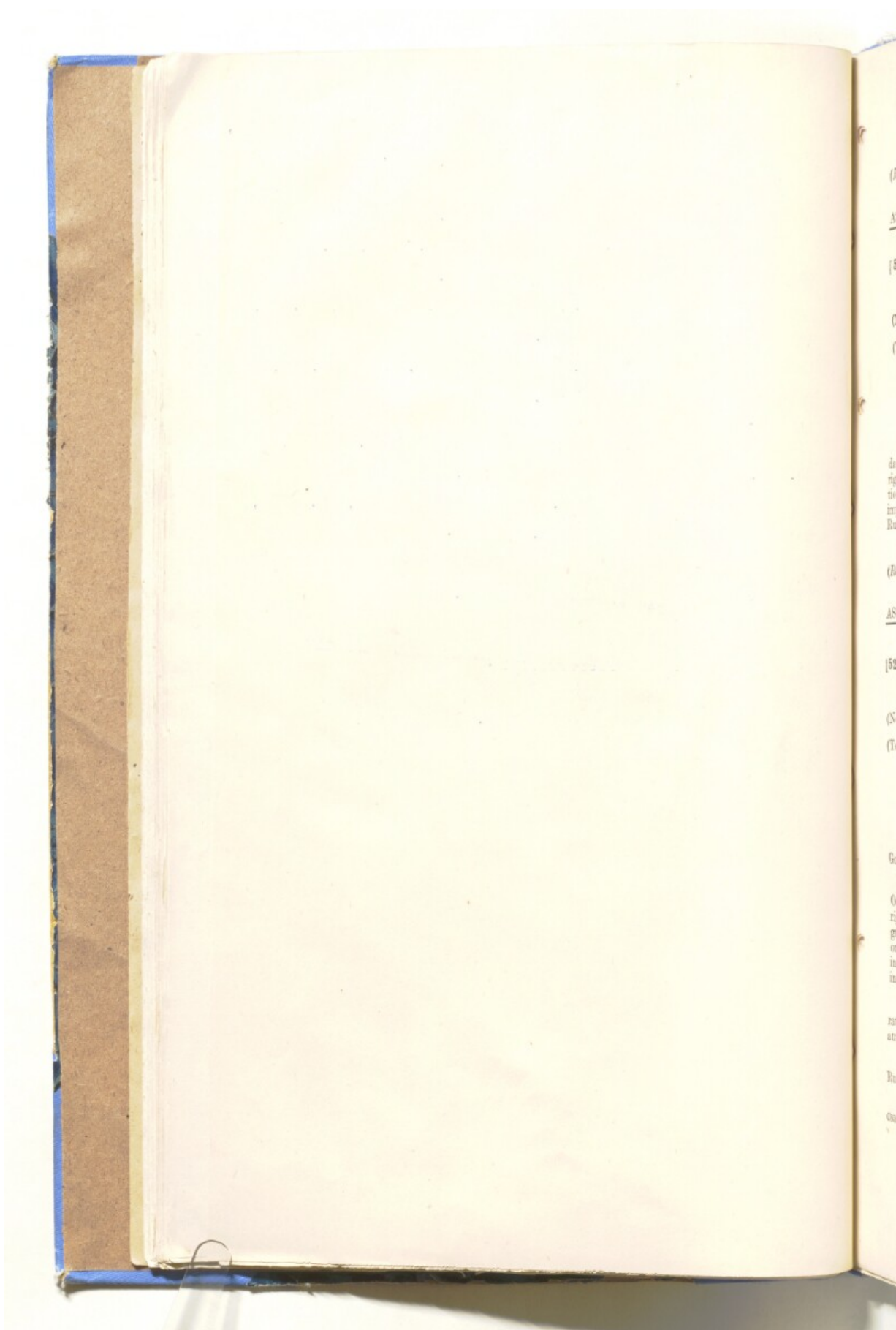
Despatch from the Foreign Office to Sir L. Mallet,  
No.467, dated the 29th December 1913.

Memorandum from Sir E. Grey to Hakkı Pasha, No.56299,  
dated the 29th December 1913.

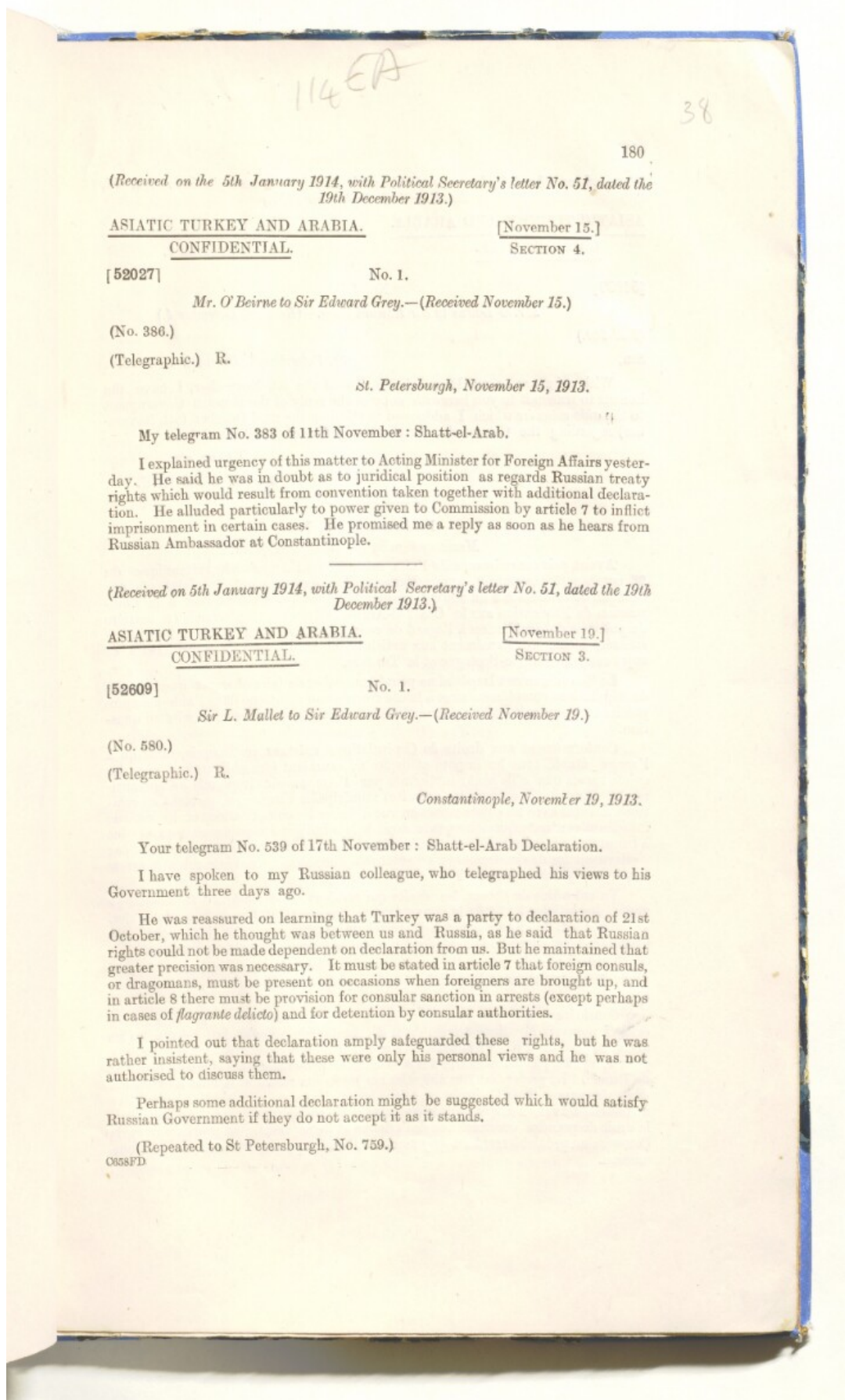
Extract from a letter from Lord Inchcape to the Foreign  
Office, dated the 18th December 1913.

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With 1 spare copy.







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(Received on the 5th January 1914, with Political Secretary's letter No. 51, dated the 19th December 1913.)

ASIATIC TURKEY AND ARABIA.

[November 15.]

CONFIDENTIAL.

SECTION 4.

[52027]

No. 1.

Mr. O'Beirne to Sir Edward Grey.—(Received November 15.)

(No. 386.)

(Telegraphic.) R.

St. Petersburg, November 15, 1913.

My telegram No. 383 of 11th November : Shatt-el-Arab.

I explained urgency of this matter to Acting Minister for Foreign Affairs yesterday. He said he was in doubt as to juridical position as regards Russian treaty rights which would result from convention taken together with additional declaration. He alluded particularly to power given to Commission by article 7 to inflict imprisonment in certain cases. He promised me a reply as soon as he hears from Russian Ambassador at Constantinople.

(Received on 5th January 1914, with Political Secretary's letter No. 51, dated the 19th December 1913.)

ASIATIC TURKEY AND ARABIA.

[November 19.]

CONFIDENTIAL.

SECTION 3.

[52609]

No. 1.

Sir L. Mallet to Sir Edward Grey.—(Received November 19.)

(No. 580.)

(Telegraphic.) R.

Constantinople, November 19, 1913.

Your telegram No. 539 of 17th November : Shatt-el-Arab Declaration.

I have spoken to my Russian colleague, who telegraphed his views to his Government three days ago.

He was reassured on learning that Turkey was a party to declaration of 21st October, which he thought was between us and Russia, as he said that Russian rights could not be made dependent on declaration from us. But he maintained that greater precision was necessary. It must be stated in article 7 that foreign consuls, or dragomans, must be present on occasions when foreigners are brought up, and in article 8 there must be provision for consular sanction in arrests (except perhaps in cases of *flagrante delicto*) and for detention by consular authorities.

I pointed out that declaration amply safeguarded these rights, but he was rather insistent, saying that these were only his personal views and he was not authorised to discuss them.

Perhaps some additional declaration might be suggested which would satisfy Russian Government if they do not accept it as it stands.

(Repeated to St Petersburg, No. 759.)

C858FD



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(Received on the 5th January 1914, with Political Secretary's letter No. 51,  
dated the 19th Decemeber 1913.)

ASIATIC TURKEY AND ARABIA.

[December 4.]

CONFIDENTIAL.

SECTION 2.

[54697]

No. 1.

Mr. O'Beirne to Sir Edward Grey.—(Received December 4.)

(No. 369.)

SIR,

St. Petersburg, December 1, 1913.

With reference to my Despatch No. 336 of the 5th November, I have the honour to transmit to you herewith copy of the reply of the Russian Government to the *aide-mémoire* which I addressed to them on the 23rd October (5th November) regarding the Commission for the Navigation of the Shatt-el-Arab.

I have, etc.,

HUGH O'BEIRNE.

Enclosure in No. 1.

*Memorandum by Russian Government.*

Ayant pris connaissance de l'aide mémoire de l'Ambassade britannique du 23 octobre (5 novembre), année courante, le Gouvernement Impérial n'a pas manqué de soumettre à un nouvel examen la question de concéder à la Commission de Navigation sur le Chatt-el-Arab des droits exceptionnels en matière de police et de juridiction à l'égard de ceux qui commettraient des infractions à son règlement, conformément aux articles 7 et 8 du projet de convention à ce sujet entre la Grande-Bretagne et la Turquie.

Le Gouvernement Impérial ne peut s'empêcher de faire observer que le projet de stipulations complémentaires à ladite convention mentionné dans l'aide-mémoire précité se trouverait être en contradiction avec le texte des deux articles en question.

Conformément aux droits de Capitulations existant en Turquie, ainsi qu'à l'usage établi, tous les impôts et droits ne sauraient être obligatoires pour les sujets russes que s'ils sont sanctionnés par l'Ambassade Impériale à Constantinople. Ensuite, quoique les autorités municipales turques se mettent en relations directes avec les sujets russes en vue d'éviter les complications et les retards inutiles elles n'ont néanmoins pas le droit de leur infliger des peines ou des amendes à l'insu des consuls, ni de mettre à exécution leurs décisions autrement que par l'intermédiaire de ces derniers; un sujet russe ne saurait aussi être mis aux arrêts autre part que dans le consulat.

Vu cet ordre de choses, les droits qui seraient reconnus à la Commission en vertu des articles 7 et 8 de la convention se trouveraient être de fait sans objet. D'autre part, le Gouvernement Impérial ne saurait consentir à renoncer aux privilèges mentionnés plus haut dont jouissent ses ressortissants en Turquie.

Voulant tout de même aller au-devant des désirs du Gouvernement britannique, le Gouvernement Impérial est prêt à proposer, de son côté, le compromis suivant.

Considérant que des fonctionnaires anglais participeraient à la Commission, celle-ci pourrait être investie du droit d'examiner les affaires dans les quelles les accusés appartiendraient à la sujétion russe et d'infliger des amendes à ces derniers, pour ainsi dire, par délégation, mais seulement en présence du drogman du consulat de Russie. La perception des amendes sur les sujets russes et la mise à exécution des ordonnances de la Commission à leur égard ainsi que leur détention préventive ne pourront avoir lieu que dans le consulat. En même temps, le consul doit avoir le droit de prendre connaissance des affaires et de se mettre en rapports avec la Commission préalablement au jugement de l'affaire par le tribunal de la Commission.





En prenant acte de ce que le montant des droits de navigation sur le Chatt-el-Arab sera calculé dans le but exclusif de couvrir les frais effectifs de la Commission, le Gouvernement Impérial considère, néanmoins, indispensable de reconnaître aux consuls de Russie le droit de demander des explications à la Commission au sujet du montant de ces droits, ainsi que sur la question de savoir à quel point telle ou autre dépense faite par la Commission se trouvait être effectivement nécessaire.

En outre, le Gouvernement Impérial trouve indispensable que le consul de Russie continue de jouir du droit d'arrêter en cas de nécessité tout sujet russe et de maintenir l'ordre tant sur les vaisseaux russes sur le Chatt-el-Arab que sur le territoire riverain de la Commission, qui sera obligée, pour sa part, de lui prêter aide et assistance en tant que cela dépendra d'elle.

Le Gouvernement Impérial se flatte de l'espoir que le Gouvernement britannique voudra bien reconnaître le bien-fondé de ces desiderata et introduire des changements respectifs dans le texte du projet de sa convention avec la Turquie. De son côté, le Gouvernement Impérial se déclare prêt à reconnaître à ces conditions le droit de la Commission de percevoir sur les vaisseaux russes les taxes réglementaires; il est prêt aussi à charger ses consuls de veiller à ce que ses vaisseaux ne se soustraient pas au paiement de ces taxes.

*Saint-Petersbourg, le 17 (30) novembre, 1913.*

*(Received on the 29th December 1913, with Political Secretary's letter No. 50, dated the 12th December 1913.)*

*Mr. O'Beirne to Sir Edward Grey.—(Received December 5, 8 a.m.)*

*St. Petersburg, December 4, 1913.*

*(December 4, 9-45 p.m.)*

(No. 402.) R.

Your telegram No. 779 of 2nd December. Shatt-el-Arab Riverain Commission.

Following is the text of proposed communications:—

*Aide-mémoire to Russian Government:— (End of R.)*

(F.) "En se référant à l'aide-mémoire du Ministère Impérial du 17 (30) novembre au sujet des droits de police et de juridiction de la Commission de Navigation sur le Chatt-el-Arab, le Chargé d'Affaires d'Angleterre est autorisé à faire les déclarations suivantes:

"1. Le Gouvernement de Sa Majesté britannique entend bien par la déclaration signée avec le Gouvernement ottoman le 21 octobre, et dont le texte est cité dans l'aide-mémoire de l'ambassade du 23 octobre (5 novembre), que le dregoman du consulat de Russie aura le droit d'assister à l'examen des affaires dans lesquelles les accusés appartiennent à la sujétion russe.

"2. Le Gouvernement de Sa Majesté britannique n'a aucune objection à ce que la perception des amendes sur les sujets russes ainsi que leur détention, le cas échéant, ait lieu dans le consulat. Celui-ci remettra le montant des sommes ainsi perçu à la Commission.

"3. Le consul aura le droit de prendre connaissance des affaires et de se mettre en rapport avec la Commission préalablement au jugement de celle-ci.

"4. Il est bien entendu que les stipulations de l'article 8 de la convention anglo-turque du 11 juin ne touche en rien au droit du consul russe d'exercer ses fonctions d'après les Capitulations et les ordres établis, par rapport aux sujets russes tant à bord des vaisseaux russes sur le Chatt-el-Arabe que sur le territoire riverain de la Commission.

"5. En plus des comptes rendus annuels prévus par l'article 15 de la convention, la Commission ne manquera pas, si le consul en exprime le désir, de fournir à celui-ci toutes explications utiles quant au montant des droits prélevés par la Commission et quant aux travaux qui ont nécessité ces droits. Le consul n'aura



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pas, toutefois, le droit d'opposer son veto à des travaux jugés nécessaires par la Commission." (End of F.)

*Aide-mémoire from Russian Government :—* (End of R.)

(F.) "Le Gouvernement Impérial, en prenant acte des communications de l'Ambassade britannique du 23 octobre et du novembre de l'année courante, se déclare prêt à reconnaître le droit de la Commission, pour améliorer les conditions de la navigation du Chatt-el-Arabe, de percevoir sur les vaisseaux russes des taxes qui seront fixées en article 11 de la Convention du de l'année courante, conclue entre la Grande-Bretagne et la Turquie. Le Ministère Impérial ne manquera pas de charger ses consuls de veiller à ce que les vaisseaux russes ne se soustraient pas au paiement des taxes et se soumettent aux règlements qui seront établis par la Commission pour les bâtiments de toutes les nations.

"Les amendes qui seront imposées à des sujets russes par le tribunal de la Commission en vertu de l'article 7 de la convention ci-dessus mentionnée et de l'aide-mémoire du Ministère Impérial du 17 novembre courant seront remises par les consuls de Russie à la Commission."

(Received on the 29th December 1913, with Political Secretary's letter No. 50, dated the 12th December 1913.)

*Sir Edward Grey to Sir L. Mallet (Constantinople).*

(No. 568.) R.

(Foreign Office, December 9, 1913, 5-30 p.m.)

Mr. O'Beirne's telegram No. 402, dated 4th December 1913 : Shatt-el-Arab.

Hakki Pasha thinks his Government will not like the wording of article 2 of proposed British declaration, and asks that you should discuss the matter fully with the Ottoman Government.

We are brought up against the hard fact that the Russian Government will only agree to levy of dues on Russian ships and observance of regulations of Riverain Commission in return for a declaration such as is now proposed ; unless, therefore, Turkey agrees, it will be impossible to carry out convention of 29th July. You should make representations in this sense to Minister for Foreign Affairs and argue that Ottoman Government can agree to procedure proposed under article 2, subject, if they so desire, to their making at the moment when Commission is actually set up a reservation that adoption of this procedure in this particular instance shall not affect or prejudice Ottoman point of view respecting Russian rights in general under the Capitulations.

(Repeated to St. Petersburg, No. 785.)

(Received on the 19th January 1914, with Political Secretary's letter No. 1, dated the 2nd January 1913.)

ASIATIC TURKEY AND ARABIA.

CONFIDENTIAL.

[December 10.]

SECTION 4.

[56622]

No. 1.

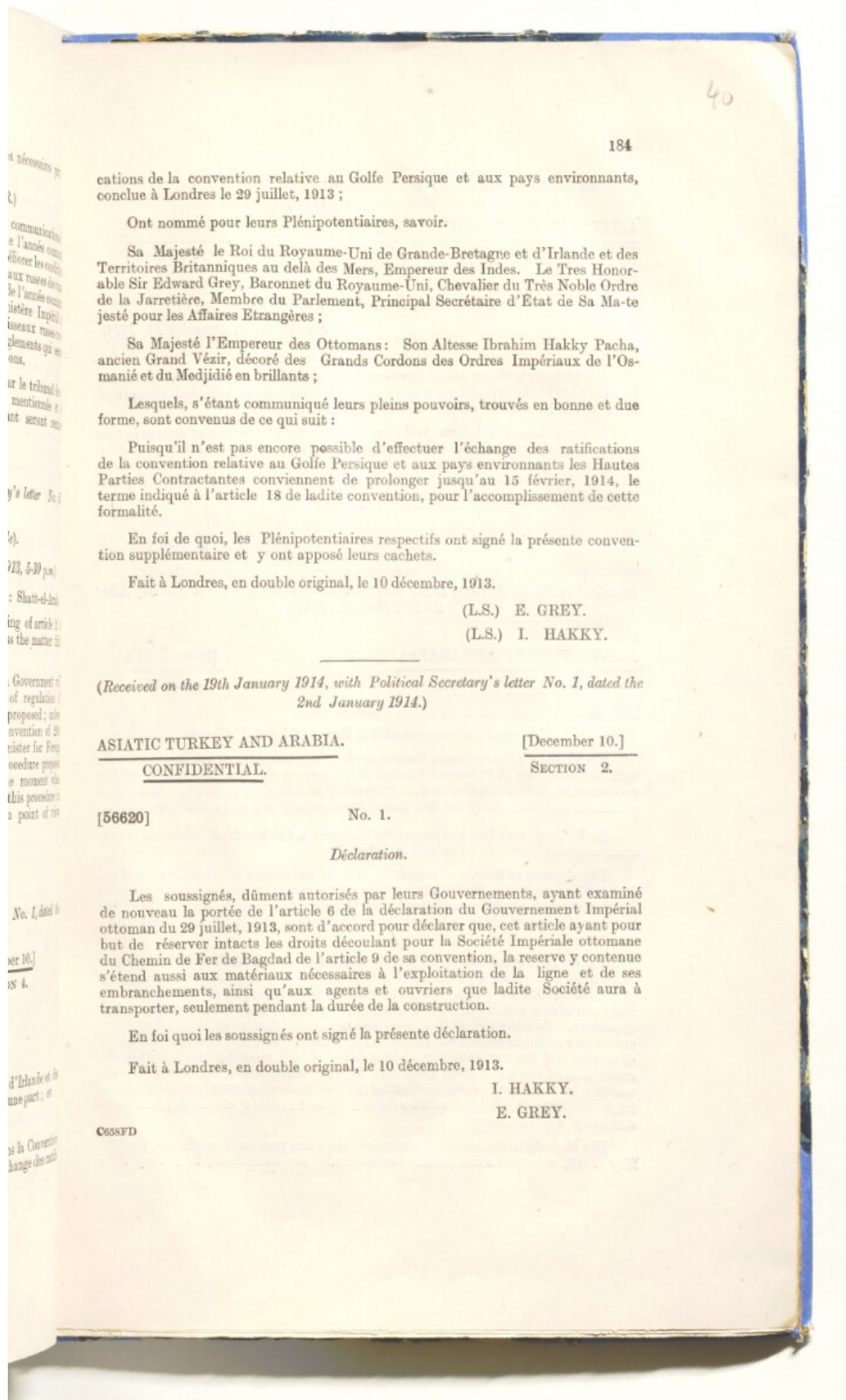
*Convention supplémentaire.*

Sa Majesté le Roi du Royaume-Uni de Grande-Bretagne et d'Irlande et des Territoires Britanniques au delà des Mers, Empereur des Indes, d'une part ; et

Sa Majesté l'Empereur des Ottomans, d'autre part ;

Désireux tous deux de prolonger au delà de la date visée dans la Convention supplémentaire du 21 octobre, 1913, la période prescrite pour l'échange des ratifi-







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(Received on the 19th January 1913, with Political Secretary's letter No. 1, dated the 2nd January 1914.)

ASIATIC TURKEY AND ARABIA.

[December 15.]

CONFIDENTIAL.

SECTION 2.

[52464]

No. 1.

*Sir Edward Grey to German Chargé d'Affaires.*

*Foreign Office, December 15, 1913.*

SIR,

His Majesty's Government have carefully considered the proposal contained in your note of the 4th ultimo, respecting the publication of intended changes of rates or conditions of transport on the Baghdad Railway.

In reply, I have to inform you that His Majesty's Government concur in this proposal, or they would be willing, should the German Government prefer, to agree to a stipulation to the same effect being inserted in the explanatory note which it is proposed to attach to the Anglo-German Convention respecting the Baghdad Railway and allied questions.

I have, etc.,

E. GREY.

(Received on the 5th January 1914, with Political Secretary's letter No. 51, dated the 19th December 1913.)

[A]

ASIATIC TURKEY AND ARABIA.

[December 15.]

CONFIDENTIAL.

SECTION 1.

[50543]

No. 1.

*Memorandum communicated to German Chargé d'Affaires.*

His Majesty's Government have very carefully considered the counterdraft, communicated by the German Chargé d'Affaires on the 4th November, of the proposed Anglo-German Convention respecting the Baghdad Railway and allied questions, and his note of the 3rd November commenting upon this document.

Sir E. Grey now has the honour to transmit a further draft, which is somewhat amended both in form and in substance.

The changes of form are primarily due to exigencies of procedure, and are designed to meet the fact that certain stipulations must necessarily, in the first instance, be agreed upon between the Ottoman Government and the Baghdad Railway Company or the proposed River Navigation Company, as the case may be.

The changes of substance are largely attributable to the desire of His Majesty's Government to recall the German Government as nearly as possible to the original proposals which they put forward, as a basis of negotiation, on the 7th May 1913, and from which each successive counter-draft seems to have constituted a further departure. So wide indeed has been the departure that even such important conditions as those contained in section 2 (b) and the first and third sentences of section 3 of the memorandum of that date,—which went far to constitute the credit side of the transaction from the British standpoint,—have now, by the wording of the German counter-draft of the 3rd November 1913 [article 2, clause (c), last paragraph, article 4, clauses (b) and (c), and article 5, clause (b)], been substantially whittled away.

His Majesty's Government recognise that the proposals made on the 7th May, 1913, were to some extent tentative and non-committal, and they have





accordingly not been unwilling, as the German Government are aware, to concede certain important points in the course of negotiation in the interests of a general settlement; but they are persuaded that they cannot go further in this direction without so weakening the conditions secured in British interests as to expose the whole Convention to unanswerable criticism and therefore to insuperable objection. This will be the more apparent when attention is drawn to the following considerations, a course which His Majesty's Government adopt in no controversial spirit.

The principal desiderata of His Majesty's Government have from the first been, and, as indicated in the present British counter-draft, still are, confined to two points:—

(a) That there should be no change detrimental to British interests in what His Majesty's Government regard as the political *status quo* at the head of the Persian Gulf.

(b) That there should be no sort of discrimination against British trade on the Baghdad Railway.

These points are largely covered by section 2 of the memorandum of the 7th May, 1913, and by the proposal, confidentially explained to Herr von Kühlmann on the same date, for the institution of a Riverain Commission on the Shatt-el-Arab.

On the other hand, the desiderata of the German Government, as conceded in the present counter-draft, are relatively not inconsiderable:—

(a) His Majesty's Government agree to an increase in the Turkish customs duties, an increase which must be borne largely by British trade, seeing that such trade represents some 30 per cent. of the total foreign imports into Turkey; this increase is virtually a *sine qua non* to the successful completion of the Baghdad Railway.

(b) His Majesty's Government undertake not to oppose the construction and management of the proposed railway right down to Basra, the only natural commercial terminus of such a line, by the Baghdad Railway Company. They thereby abandon all claim to British control in the Baghdad-Basra section: it will be recollected that the satisfaction of this claim was at one time a principal condition of British assent to the customs increase.

(c) His Majesty's Government agree that, in the important provinces of Baghdad and Mosul, where British trade has long been predominant, they will support no railway undertakings either in direct competition with the Baghdad Railway Company's lines or with that Company's existing rights.

(d) His Majesty's Government agree not to oppose the acquisition by German interests of 40 per cent. of the share capital allotted to Turkey in the proposed Ottoman River Navigation Company.

(e) His Majesty's Government acquiesce in certain facilities being granted to the Baghdad Railway Company on the River Tigris at Baghdad.

While His Majesty's Government have no desire to exaggerate the disparity between these respective desiderata, they are confident that the German Government will appreciate their attitude in regarding the proposals put forward in the revised counter-draft now enclosed as representing the utmost limit of concession to which they can properly agree.

Sir E. Grey will now proceed to deal *seriatim* with the points raised by Herr von Kühlmann in his covering note of the 3rd November, and to refer when necessary to the corresponding clauses of the counter-draft.

His Majesty's Government are in principle opposed to explanatory notes, holding that a convention itself should be so clear and precise as to require no explanation; nevertheless, they recognise that, in the present instance, many points of detail are involved and that their inclusion in the text of the convention might prove somewhat cumbersome and inconvenient, and they are accordingly prepared to defer to the wish of the German Government, on the distinct understanding that the explanatory note is ratified and published at the same time as the convention.





His Majesty's Government agree to the adoption of the words "system" and "undertaking" as proposed in article 1, clause (a), provided they are first furnished with authentic copies of all agreements between the Ottoman Government and the Baghdad Railway Company, and provided they find no occasion for objection in the final text of the supplementary agreements now under discussion at Berlin, as it is clearly essential that they should know precisely what they are asked to agree to; provided also that it is expressly agreed in the explanatory note that their freedom of action with regard to future variations of the concession is not impaired by this wording.

His Majesty's Government would also agree to the inclusion in the explanatory note of the words "under the express condition that no prejudice of an economic or financial nature is caused to Great Britain in pursuance of this clause." They consider further that the obligations of Great Britain under this clause should be defined in the same document. In the view of His Majesty's Government Great Britain would be bound, after the signature of this convention and the conclusion of all pending negotiations with Turkey, not to oppose the increase of the Turkish customs duties up to 15 per cent. *ad valorem*, and not to oppose the allocation of a portion of this increase or of existing Turkish revenues for the purposes specified in article 35 of the Baghdad Railway Convention of March 1903, such an obligation would not, however, commit His Majesty's Government in advance to support the allocation of any particular revenues, but merely that of adequate revenues, to such purposes.

His Majesty's Government prefer the words "declare that they will not oppose" to those suggested in article 1, clause (b), of the German counter-draft; this undertaking corresponds, moreover, to that which the German Government assume in article 4, clause (a).

The addition suggested by the German Government of the words "as representatives of a group of British shareholders" in article 1, clause (c), does not commend itself to His Majesty's Government. It is essential that there should be British representatives on the board of the Baghdad Railway, and His Majesty's Government attach importance to an assurance from the German Government that they will use their best endeavours to this end; but it appears to them otiose to enter in the Convention into the technical formalities which the admission of such representatives may entail. Herr von Gwinner explained to Mr. Parker at the German Embassy on the 7th June, 1913, that their admission could only take place in a manner such as is suggested in Prince Lichnowsky's note of the 16th July, 1913, and, subject to the successful formation of a British group, His Majesty's Government intimated that the arrangements indicated would be satisfactory. While they adhere to this position, they are bound to state that the legal advice which they have obtained respecting the bearing of the statutes of the Baghdad Railway Company and of the provisions of Turkish company law on the question is not quite in accord with the view then expressed by Herr von Gwinner.

In this connexion it must be remarked that the terms outlined by Herr von Gwinner to Sir H. Babington Smith on the 14th June, 1913, are not such as are likely, in the opinion of His Majesty's Government, to encourage British financial participation in the undertaking. The British subscribers are to be required to pay for their shares in full at par, whereas the original shareholders paid actually only one-half of the nominal value of their shares, the remainder being credited to them out of the profits on the construction of the first section of the railway—a course which seems open to criticism on purely financial grounds. Whilst as regards participation in the profits arising from the construction and working of the railway, British shareholders would thus be in a less favourable position than the original subscribers, they are to be required to put themselves in the same position as original subscribers as regards the very onerous obligations of the syndicate for realising the Government bonds. If substantial British financial participation in the enterprise is desired, His Majesty's Government trust that the German Government will use their influence with the Baghdad Railway Company to secure an appreciable modification of the terms suggested.

As regards article 2 certain changes have been made, with a view to greater clearness, in the lettering and numbering of the several clauses and





sub-clauses: it will be observed that no alteration of wording is made in clause (a), sub-sections (i) and (ii), or in the first paragraph of sub-section (iii); but His Majesty's Government are unable to concur in the proposal that German capital should be represented by directors on the board of any railway which might be built from Basra (Zobeir) to the Persian Gulf. Such a proposal, as has already been pointed out, is in direct conflict with section 2 (b) of the memorandum of the 7th May, 1913: it also appears to His Majesty's Government misleading and inequitable to stipulate that German representation on such a line should be similar as regards conditions and proportion to any British participation on the board of the Baghdad Railway; the counterpart of any such British participation as may be arranged is rather to be found in German participation in the proposed River Navigation Company.

His Majesty's Government attach great importance to all the stipulations which now appear in italics in article 2, clause (a), section (iv) of the British counter-draft being "adhered to" by the German Government in the present Anglo-German Convention, even though they may in the first place be the subject of agreement between the Ottoman Government and the Baghdad Railway Company.

Clauses (b) and (c) of article 2 provide for a British participation, both in the capital and directorate of the company or companies of the ports of Basra and Baghdad, and in the contracts for construction and maintenance, of 40 per cent. of the whole. Such a percentage is, according to Prince Lichnowsky's note of 16th July, what the Baghdad Railway Company are prepared to concede to British interests; as British participation in the port of Basra up to 50 per cent. is not conceded, as suggested in the British note of the 18th September, 1913, His Majesty's Government now revert to the proposal for British participation in both ports.

Clause (d) of article 2 appears very desirable in order to ensure complete equality of treatment.

Clauses (a) and (b) of article 3 have not been altered.

The German Government express a wish that two changes should be made in clause (c) of article 3, viz., that the words "in Ottoman territory east of Aleppo" should be substituted for "in the provinces of Mosul and Baghdad," and that the words "or in contradiction with that Company's existing rights" should be inserted after the words "the Baghdad Railway Company's lines."

His Majesty's Government regret that they cannot possibly agree to an extension of the geographical area under this clause; they have had very great hesitation in agreeing even to the area originally suggested, having regard to the established position of British trade and influence in the provinces specified, but they certainly could not agree to mortgage the future as regards any line which might, at some distant date and under wholly altered conditions, possibly when the Baghdad Railway system is fully developed, be projected from the Mediterranean to Lower Mesopotamia.

His Majesty's Government understand that no project for a competing line with the Baghdad Railway from any point on the Mediterranean is at present under contemplation, and that, as regards the Aleppo-Mesene project, nothing beyond a purely negative obligation has been assumed by the Ottoman Government.

As regards the second alteration of wording suggested in this clause, His Majesty's Government are prepared to adopt it subject to the insertion of the word "either" after "railway undertakings", and provided a satisfactory settlement respecting the oil concessions in Mosul and Baghdad is reached, as they trust may be the case, before the signature of this Convention.

His Majesty's Government do not consider that there is any parallel in fact between German participation in the River Navigation Company and British participation in the ports of Baghdad and Basra; if it is desired to establish a parallel it should be sought, due regard being had to the relative magnitude of the two concerns, between German representation in the River Navigation Company and British representation in the Baghdad Railway Company, which, under the convention of 1903, includes concessions for the ports of Baghdad and Basra.

His Majesty's Government could in no case agree to the wording of article 4, clause (b) of the German counter-draft of the 3rd November, any more than they could to that of article 2, clause (d) of the same document: they consider it

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absolutely indispensable that British participation in the ports should be fixed in precise terms in the convention itself at 40 per cent. of the whole, and that German participation in the navigation should be expressly limited in the convention itself to a stated maximum; they are further of opinion that the real facts of the agreement would have to be revealed eventually in Parliament and that no object would therefore be gained by their temporary obscuration. If, however, the German Government are anxious to maintain a spectacular parallel, perhaps the wording of article 4, clause (b) of the counter-draft now enclosed might serve the purpose in view. In agreeing not to oppose German participation, to the extent indicated, in the River Navigation Company, His Majesty's Government take formal note of the assurances contained in the German Ambassador's communication of the 16th July, 1913, to the effect that the German Government does not aim at any combination which could endanger effective British control of the navigation and that the German Government would therefore be prepared to receive favourably any proposals about voting arrangements which would seem to His Majesty's Government desirable in order to assure the effective British control of the River Navigation Company.

It will be observed that clause (c) (i) of article 4 has been amended in form, and that the time limit of five years is re-inserted. His Majesty's Government attach cardinal importance to a specific limitation in the duration of the rights of the Baghdad Railway Company under article 9 of the convention of 1903; they must, in pursuance of section 3 of the memorandum of the 7th May, 1913, continue to press for such a limitation, which is not moreover inconsistent with the term of agreement between the Baghdad Railway Company and either the "Société de Transports fluviaux" or Messrs. Lynch Brothers.

Sir E. Grey would add that he understands that Messrs. Lynch Brothers are prepared, so far as they are concerned, to conclude an arrangement such as that contemplated under article 4, clause (c) (ii).

The changes in article 5 (b) have already been explained in substance in Sir E. Grey's memorandum of the 25th November, 1913; slight verbal changes have since been made with the object of greater precision.

His Majesty's Government, after the most careful consideration, are not able to agree to stipulations such as are contained in articles 5-A and 7 of the German counter-draft of the 3rd November; but they would be willing to agree that article 6 of the British counter-draft should be interpreted, so far as possible, in the light of the recommendations of the 9th September, 1913, and that these recommendations should be embodied in the explanatory note: they understand, however, from Hakkı Pasha that the specific revenues named in section II of those recommendations have already been earmarked by anticipation for another purpose—a subject upon which David Bey may possibly be able to throw more light.

While resolutely opposed, for the practical reasons explained in Sir E. Grey's memorandum of the 18th September, 1913, to the system of dual control which a "comité de surveillance" would entail, His Majesty's Government have made a considerable modification in the wording of article 6 in order to meet the criticisms of the German Government, and they earnestly trust that the draft in its present form will be acceptable. A copy of the Anglo-Turkish declaration, respecting the rights enjoyed by the nationals of the Treaty Powers in Turkey, is enclosed.

In order that the document which formed the enclosure in Sir E. Grey's memorandum of the 25th November, 1913, may exactly correspond with the present British counter-draft, a revised version is transmitted herewith.

In conclusion, and while expressing the hope that these negotiations may be completed and the Anglo-German Convention signed in the course of next month, His Majesty's Government would again draw the attention of the German Government to the desiderata of the Smyrna-Aidin Railway Company, which, if dealt with on a sympathetic and broad basis would, they confidently believe, contribute to the ultimate benefit both of the Smyrna-Aidin and the Anatolian Railway systems.

Foreign Office,  
December 15, 1913.





Enclosure 1 in No. 1.

Anglo-German Convention.

Anglo-German Convention.

German Counter-draft of November 3, 1913.

British Counter-draft of December 15, 1913.

(Note.—Variations from the British draft of September 18, 1913, are printed in italics.)

(Note.—Variations from the German draft of November 3, 1913, are, so far as possible, indicated by italics.)

ARTICLE 1.

ARTICLE 1.

Clause (a). Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

Clause (a). Recognising the general importance of the completion of the Baghdad Railway for international commerce, His Britannic Majesty's Government undertake not to take or encourage any measures likely to impede the construction of the Baghdad Railway system or to prevent the participation of capital in this undertaking.

Clause (b). His Britannic Majesty's Government agree to the construction and management of the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

Clause (b). His Britannic Majesty's Government declare that they will not oppose the construction and management or the proposed railway from Baghdad to Basra by the Baghdad Railway Company.

Clause (c). The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted as representatives of a group of British shareholders to the board of the Baghdad Railway Company.

Clause (c). The Imperial German Government declare that they will use their best endeavours to secure that two British directors, agreeable to His Britannic Majesty's Government, shall be admitted to the board of the Baghdad Railway Company.

ARTICLE 2.

ARTICLE 2.

The Baghdad Railway Company, having concluded with the Imperial Ottoman Government an arrangement on the following basis, the Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to the said arrangement, and will use their best endeavours to secure its due execution:—

Clause (a). The Baghdad Railway Company having concluded with the Imperial Ottoman Government an arrangement on the following basis, the Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to the said arrangement, and will use their best endeavours to secure its due execution:—

Clause (a). The terminus of the Baghdad Railway Company's line shall be at Basra, and the Baghdad Railway Company has renounced all claims to construct a branch line from Basra (Zobeir) to the Persian Gulf, referred to in article 1 of the Baghdad Railway Convention of the 5th March, 1903, and to build a port or railway terminus on the Persian Gulf, whether under article 23 of the said Baghdad Railway Convention or in any other way derived.

(i) The terminus of the Baghdad Railway Company's line shall be at Basra, and the Baghdad Railway Company has renounced all claims to construct a branch line from Basra (Zobeir) to the Persian Gulf, referred to in article 1 of the Baghdad Railway Convention of the 5th March, 1903, and to build a port or railway terminus on the Persian Gulf, whether under article 23 of the said Baghdad Railway Convention or in any other way derived.



*German Counter-draft.*

*Clause (b).* No discrimination, direct or indirect, shall be permitted on the Baghdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatever.

*Clause (c).* In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Baghdad Railway Company's system, and there shall be complete protection against discrimination direct or indirect.

\* *In this event German capital would participate in it, and would be represented on the board of this line under exactly the same conditions and in the same proportion as British capital shall be represented on the board of the Baghdad Railway.*

*Clause (d).* The construction of the proposed port at Basra, authorised by article 23 of the Baghdad Railway Convention of the 5th March, 1903, shall be executed by a separate Ottoman company, wherein British participation, both in the capital and directorate of the port company and in the contracts, if any, for construction and maintenance, shall amount to not less than 20 per cent. of the whole. No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

\* This clause would be inserted in the note explanatory if His Majesty's Government agreed to have clause (c), article 1, embodied in this note.

*British Counter-draft.*

(ii) No discrimination, direct or indirect, shall be permitted on the Baghdad Railway Company's system, either as regards facilities or rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatever.

(iii) In the event of the construction of the said branch line from Basra (Zobeir) to the Persian Gulf being undertaken, adequate arrangements shall be made to secure facilities for through traffic from and to the Baghdad Railway Company's system, and there shall be complete protection against discrimination direct or indirect.

(iv) The construction and exploitation of the proposed port at Basra, authorised by article 23 of the Baghdad Railway Convention of the 5th March, 1903, shall be carried out by a separate Ottoman company.

No duties or charges of whatever nature or under whatever denomination shall be levied by the port company on any vessels or goods which shall not equally, under the same conditions, be imposed in like cases on all vessels or goods, whatever be the nationality of the vessels or their owners, or the ownership or country of origin or destination of the goods, and whatever be the places from which the vessels or goods arrive or to which they depart.

In all that relates to the stationing, loading, and unloading of vessels in the port, no privileges or facilities shall be granted to any vessel or vessels which shall not equally and under like conditions be granted to all other vessels.

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The Imperial Ottoman Government reserves to itself the right to confer upon the Commission, which it proposes to entrust with the improvement and maintenance of the navigability of the Shatt-el-Arab, its rights of control over the port of Basra.

The conventions relating to this port, and the statutes of the company to be formed, shall contain provisions expressly preserving the rights of the aforesaid Commission.

Clause (b). The Imperial German Government and His Britannic Majesty's Government agree that they will use their best endeavours to secure that in the separate Ottoman Company for the construction and exploitation of the port of Basra, mentioned in sub-clause (iv) above, British participation, both in the capital and directorate of the port company, and in the contracts for construction and maintenance, shall amount to 40 per cent. of the whole.

Clause (c). The Imperial German Government and His Britannic Majesty's Government agree that they will use their best endeavours to secure that in any Ottoman Company for the construction and exploitation of the port of Baghdad, to be formed under article 6 of the agreement between the Baghdad Railway Company and the Imperial Ottoman Government, mentioned in clause (a) of the present article, British participation, both in the capital and directorate of the port company, and in the contracts for construction and maintenance, shall amount to 40 per cent. of the whole.

Clause (d). In all that relates to the dues and charges of whatever nature to be levied, and to the facilities to be accorded, in the ports of Basra and Baghdad, goods arriving or to be forwarded by water shall receive identic treatment to those arriving or to be forwarded by rail.

ARTICLE 3.

Clause (a). The Imperial German Government and His Britannic Majesty's Government declare that they will in no case support the construction of a branch from Basra (Zobeir), or from any point of the main line of the Baghdad Railway, to the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government, the Imperial German Government, and the Imperial Ottoman Government.

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*German Counter-draft.*

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, in Ottoman territory east of Aleppo, railway undertakings in direct competition with the Baghdad Railway Company's lines, or in contradiction with that company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 1913 on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution, nor support any action directed against the execution, of such declaration, so long as the navigation on the said rivers is maintained in substantial accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Baghdad Railway interests of not less than 20 per cent. of the whole share capital out of the shares allotted to Turkish interests in the Ottoman Company for river navigation, and their representation on the board of the aforesaid company by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Baghdad Railway Convention of the 5th March, 1903, relative to the conveyance of materials exclusively destined for the construction of

*British Counter-draft.*

*Clause (b).* The Imperial German Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, a port or railway terminus on the Persian Gulf unless and until there is complete agreement on the subject between His Britannic Majesty's Government and the Imperial German Government.

*Clause (c).* His Britannic Majesty's Government declare that they will in no case themselves establish, or support any claim by any persons or corporations whatsoever to establish, in the provinces of Mosul and Baghdad, railway undertakings either in direct competition with the Baghdad Railway Company's lines, or in contradiction with that company's existing rights, unless and until there is complete agreement on the subject between the Imperial German Government and His Britannic Majesty's Government.

ARTICLE 4.

*Clause (a).* The Imperial German Government, having cognisance of the declaration signed on 29th July, 1913, on behalf of the Imperial Ottoman Government, concerning navigation on the Rivers Tigris and Euphrates, declare that they will not oppose the execution, nor support any action directed against the execution, of such declaration, so long as the navigation on the said rivers is maintained in substantial accordance with the provisions thereof.

*Clause (b).* His Britannic Majesty's Government declare that they will not oppose the acquisition by the Baghdad Railway interests of 40 per cent. of the share capital to be allotted to Turkish interests at the first allotment and the right in respect thereof to subscribe for a rateable proportion of further issues of capital of the Ottoman Company for river navigation, and their representation on the board of the aforesaid company by one director out of the share of the directorate allotted to Turkish interests.

*Clause (c) (i).* It is, nevertheless, understood that nothing in this article shall be held to affect the rights conceded by article 9 of the Baghdad Railway Convention of the 5th March, 1903, except in so far that His Britannic Majesty's Government and the Imperial German Govern-

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the Baghdad Railway, except in so far that it is hereby expressly agreed that the said rights shall cease on the completion of the construction of the Baghdad Railway to Basra.

It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

The concessionaire, nominated in pursuance of article 3 of the aforesaid declaration of the 29th July, 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as concerns themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution :—

*Clause (a).* No discrimination shall be permitted by the Ottoman Company for river navigation, either as regards facilities on rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever. The Company shall grant no through bills of lading, rebates, or other privileges of any description in respect of goods carried by any ship between any place served by the Company's vessels and any place oversea, unless the same privileges are accorded in respect of similar goods carried under the same conditions and in the same direction between the same places by all ships regularly trading

*British Counter-draft.*

*ment hereby agree and declare, so far as concerns themselves, that they adhere to, and will use their best endeavours to secure the due execution of, the following provisions of the arrangement referred to in article 2 of the present convention :—*

The Baghdad Railway Company's rights under article 9 of the aforesaid Convention of the 5th March, 1913, shall not continue to be exercised after the 31st January, 1919, unless it is shown that no other satisfactory means are available for the purposes specified in the said article 9, and in any case they shall cease on the completion of the construction of the Baghdad Railway to Basra.

(ii) It is further agreed that if an arrangement to the satisfaction of the parties concerned can be made for the conveyance by river of the aforesaid materials through British or Ottoman agency, His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure the conclusion of such an arrangement.

ARTICLE 5.

*Clause (a).* The concessionaire, nominated in pursuance of article 3 of the aforesaid declaration of the 29th July, 1913, having concluded with the Imperial Ottoman Government an arrangement on the following basis, His Britannic Majesty's Government and the Imperial German Government declare, so far as concerns themselves, that they adhere to the said arrangement and will use their best endeavours to secure its due execution :—

No discrimination shall be permitted by the Ottoman Company, for river navigation, either as regards facilities on rates of charge for the conveyance of like articles between the same points on account of the ownership, origin, or destination of goods presented for transport, or in any other manner whatsoever. The Company shall grant no through bills of lading, rebates, or other privileges of any description in respect of goods carried by any ship between any place served by the Company's vessels and any place oversea, unless the same privileges are accorded in respect of similar goods carried under the same conditions and in the same direction between the same places by all ships regularly trading between those places, irrespective of nationality.



*German Counter-draft.*

between those places, irrespective of nationality.

*Clause (b).* The Baghdad Railway Company shall have the right to use at their stations on the Rivers Tigris and Euphrates, and within the limits of the port of Baghdad, exclusively for the service of the railway and the said port, small launches, as well as ferries for the transport of passengers and goods from one bank to the other. Such launches shall not exceed tons British measurement.

*British Counter-draft.*

*Clause (b).* The Imperial German Government and His Britannic Majesty's Government declare, so far as concerns themselves, that they adhere to, and will use their best endeavours to secure the due execution of, the following provisions of the arrangement referred to in article 2 of the present Convention :—

The Baghdad Railway Company shall have the right, solely for the service of the railway, to employ at Baghdad vessels propelled by steam or by any other motive power, but not exceeding 80 tons British register, and ferry-boats of greater tonnage.

The Port Company referred to in article 2, clause (c), shall have the right to employ at Baghdad vessels propelled by steam or by any other motive power, but not exceeding 80 tons British register, solely for the transport of its officials, workmen, and materials.

At other places on the Tigris or Euphrates, wherever the need may arise, the Imperial Ottoman Government undertakes that the proposed Ottoman Company of River Navigation shall be responsible for any ferry service required for the purposes of the railway, according to conditions, and at points, to be settled from time to time by special agreements between the above companies.

ARTICLE 5 A.

His Britannic Majesty's Government and the Imperial German Government will use their best endeavours to secure that the Shatt-el-Arab shall be brought into and permanently kept in a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra, and to secure, further, that the navigation on the Shatt-el-Arab shall permanently be kept open for sea-going vessels, and be carried on on terms of absolute equality for the vessels of all nations, without regard either to the nationality of the vessels or to their cargoes.

ARTICLE 6.

The Imperial German Government having taken note of the Anglo-Turkish Convention of under which the free navigation of the Shatt-el-Arab is assured to the shipping of all nations and a commission is established for the execution of such works as may

ARTICLE 6.

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be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of the Convention are conducive to the best interests of international commerce will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

It is, nevertheless, understood that this stipulation in no wise affects the privileges and immunities granted to the German Empire by the Capitulations.

A "Comité de Surveillance" shall be established composed of those foreign consuls resident at Basra whose flag is represented by steamship lines regularly trading with that port. The "Comité" shall correspond directly with the River Commission, to be established by the Imperial Ottoman Government, on all matters affecting the conservancy of the Shatt-el-Arab and the dues to be levied on that river; it is, however, understood that the functions of the "Comité" shall be advisory and not executive. The "Comité" will see that dues shall be imposed, not for the mere fact of navigation, but only for repaying sums actually spent on improvements in the navigation of the Shatt-el-Arab and harbour facilities. They shall in no case exceed 1 fr. per registered ton (the dues to cover the coming in and going out of the same vessel; any dues shall be levied on a basis of absolute equality without regard to the nationality of sea-going vessels or their cargoes.

*British Counter-draft.*

be necessary for the improvement of its channel and for its maintenance and for other like purposes set out therein, and being of opinion that the provisions of the Convention are conducive to the best interests of international commerce, will, so long as the duties imposed upon the Commission by the said Convention are satisfactorily carried out, uphold the Convention, and will undertake that German subjects and German shipping shall comply therewith, and with all regulations issued by the Commission, and shall duly discharge all obligations properly imposed upon them in pursuance of the provisions of the said Convention.

The Imperial German Government take note in this connection of the declaration, signed on the

and attached to the said Convention, to the effect that articles 7 and 8 of the above Convention do not effect the rights enjoyed in the Ottoman Empire by the nationals of the Treaty Powers.

His Britannic Majesty's Government on their part undertake that they will not, without a preliminary agreement with the Imperial German Government, consent to the imposition of dues exceeding 1 franc per registered ton.

(b) If at any time any of the Governments most interested by reason of the magnitude of their shipping on the Shatt-el-Arab are of opinion that the duties imposed upon the Commission are not satisfactorily carried out, or that the reasonable requirements of the commerce of the river in the matters within the competence of the Commission are not adequately met, and if the Commission in such case has not seen its way to give effect to important recommendations laid before it in the interests of shipping, with the object of removing the above-mentioned causes of complaint, His Britannic Majesty's Government will use their good offices with the Imperial Ottoman Government to ensure the reference to a Board of Enquiry of the questions whether in any particular respects the duties of the Commission have not been satisfactorily carried out, and whether there is good ground for thinking that the Commission, if maintained, will not be able to provide for the reasonable requirements of the commerce of the river.

This Board shall consist of five members to be drawn from the Powers most



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interested by reason of the magnitude of their shipping in the Shatt-el-Arab; the Ottoman member of this Commission shall be the President.

The Board of Enquiry shall, unless the time is extended with the consent of all parties, publish its report within four months of its appointment. The Government of His Britannic Majesty will use their good offices with the Imperial Ottoman Government to ensure that the proposals contained in such Report are carried out.

ARTICLE 7.

The preceding arrangements for the final settlement of all questions connected with the Baghdad Railway shall cease to be operative if the Shatt-el-Arab, after a reasonable time, has not been brought into a satisfactory state of conservancy in order that sea-going vessels may always be assured of free and easy access to the port of Basra.

ARTICLE 8.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter, the case shall be submitted to The Hague Tribunal.

ARTICLE 7.

Any difference of opinion arising out of this declaration shall be submitted to arbitration. If the two Governments fail to agree about a special Court or arbiter, the case shall be submitted to The Hague Tribunal.

ENCLOSURE 2 IN NO. 1.

*Revised Official British Draft of proposed Agreement between Baghdad Railway Company and Ottoman Government.*

I.

BASSORA est fixé comme point terminus de la ligne du Chemin de Fer de Bagdad.

La Société du Chemin de Fer de Bagdad renonce à la concession de la construction et l'exploitation de l'embranchement partant de Bassora (Zobéir) ou de tout autre point de la ligne et aboutissant à un point du Golfe Persique (article 1<sup>er</sup>, No. 4, de la Convention du 20 février (5 mars), 1903), ainsi qu'au droit de construire et exploiter un port à un point situé au Golfe Persique (article 23 de cette même Convention).

II.

La Société du Chemin de Fer de Bagdad confirme qu'elle continuera comme par le passé à appliquer à toutes les marchandises d'une catégorie identique qui pourront lui être présentées en vue d'être transportées par chemin de fer, entre les mêmes stations et dans les mêmes conditions, un régime parfaitement égal, tant pour le tarif en vigueur qui leur sera imposé que pour les facilités dont elles jouiront, quels que soient respectivement :

- (a.) Le pays d'origine des marchandises importées dans l'Empire ottoman;
- (b.) Le pays de destination des marchandises exportées de l'Empire ottoman;
- (c.) Les pays d'origine et de destination des marchandises en transit par l'Empire ottoman; et
- (d.) Le pavillon et l'armateur des bâtiments sur lesquels les marchandises sont importées ou exportées par les ports ottomans.





La Société du Chemin de Fer de Bagdad consent, en outre, à ce que les délais fixés par l'article 21 de son Cahier des Charges, touchant les avis préalables à donner en cas de modification des conditions ou des prix des tarifs, soient uniformément portés à deux mois.

Ces avis seront insérés dans le Journal Officiel du Gouvernement Impérial ottoman et dans le Journal de la Chambre de Commerce Ottomane de Constantinople.

Les mots "les mêmes conditions" employés dans le présent article signifient les mêmes conditions de poids, d'emballage et de vitesse (grande, petite ou autre), la même catégorie de marchandises et les mêmes stations de départ et d'arrivée.

Ces dispositions s'étendront dans la mesure où elles sont applicables au régime appliqué par la Société du Chemin de Fer au transport des voyageurs entrant dans l'Empire ottoman, le quittant ou traversant son territoire, et de leurs bagages. Toutefois, elles ne s'appliqueront pas au transport des émigrés et des indigents et de leurs bagages. Aux fins du présent alinéa, le terme "émigrés" se rapporte aux personnes venues s'établir dans les limites de l'Empire ottoman qui sont transportées par les soins de la Commission des Emigrés.

### III.

En cas d'exécution d'un embranchement de Bassora ou de tout autre point de la ligne principale, au Golfe Persique, des arrangements seront conclus en vue de faciliter le trafic direct, sans rupture de charge, de et vers le réseau du Chemin de Fer de Bagdad, et il y aura sur cet embranchement une protection complète contre toute tarification différentielle, soit directe ou indirecte, comme cela est prévu à l'article 2 pour le Chemin de Fer de Bagdad.

### IV.

Le Gouvernement Impérial ottoman s'engage à faire exécuter, par la commission mentionnée à l'article V des présentes, les travaux nécessaires pour l'amélioration des conditions de la navigation sur le Chatt-el-Arab, afin de maintenir, dans la mesure du possible, le chenal du fleuve libre de toutes espèces d'obstacles, et ladite commission viserait de prime abord, au moins jusqu'au port de Bassora, une profondeur de 24 pieds au-dessous du niveau de la pleine mer de la grande marée.

### V.

La construction et l'exploitation du port de Bassora, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurées par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

Le Gouvernement Impérial ottoman se réserve le droit de conférer ses droits de contrôle sur le port de Bassora à la commission qu'il se propose de charger de l'amélioration et du maintien de la navigabilité du Chatt-el-Arab.

Les conventions relatives à ce port et les statuts de la société à constituer contiendront des dispositions sauvegardant expressément les droits de ladite commission.

### VI.

La construction et l'exploitation du port de Bagdad, prévues à l'article 23 de la Convention du Chemin de Fer de Bagdad du 5 mars, 1903, seront assurées par la Société prévue l'article 5 des présentes ou par une Société anonyme ottomane à former dans ce but et dont les actes de concessions et les statuts seront arrêtés d'un commun accord entre le Gouvernement Impérial ottoman et la Société du Chemin de Fer de Bagdad.

### VII.

Aucuns frais, n'importe sous quel titre, ne seront imposés dans les ports de Bassora et de Bagdad aux navires et aux marchandises, quels que soient la nationalité, le propriétaire, le pays d'origine ou de destination des marchandises, et



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quels que soient les lieux de provenance ou de destination des navires et des marchandises, en tant qu'il ne s'agira pas d'une mesure générale applicable indistinctement et uniformément à tout le monde, sans exception et sans privilège spécial d'aucune sorte, en faveur de qui que ce soit.

Pour tout ce qui a rapport aux frais quelconques à imposer dans lesdits ports, et aux facilités à accorder, un traitement identique sera assuré aux marchandises transportées ou à transporter par voie d'eau et à celles transportées ou à transporter par chemin de fer.

Pour tout ce qui concerne le stationnement, l'embarquement et le débarquement des navires dans ces deux ports, aucuns privilèges ou facilités ne sauraient être accordés à des navires quelconques, en tant que lesdits privilèges et facilités ne seront pas accordés également et dans les mêmes conditions, à tous les autres navires.

#### VIII.

La Société du Chemin de Fer de Bagdad aura la faculté d'employer à Bagdad, pour le seul service du chemin de fer, des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum et des bacs (ferry-boats) d'un tonnage supérieur.

Les recettes du service susvisé restent acquises à la Société du Chemin de Fer de Bagdad.

La Société constituée en vertu de l'article 6 des présentes, aura la faculté d'employer à Bagdad des bateaux à vapeur, ou à toute autre force motrice, de 80 tonnes registre anglais au maximum, pour le seul transport de son personnel, de ses ouvriers et de son matériel.

Le matériel fluvial susmentionné jouira de toutes les exemptions de droits d'entrée et autres, dont jouit le matériel roulant du chemin de fer, et il sera de même exonéré de tous impôts, redevances ou taxes, de navigation et autres.

Les combustibles nécessaires pour ce service jouiront de la franchise douanière au même titre que ceux consommés par le chemin de fer, et celui-ci aura le droit d'en opérer le transport dans les mêmes conditions que ceux destinés à son exploitation.

Partout ailleurs où le besoin s'en ferait sentir, soit sur le Tigre, soit sur l'Euphrate, le Gouvernement Impérial Ottoman s'engage à obtenir de la Société Ottomane de Navigation Fluviale à constituer qu'elle se charge de tout service debacs, à établir pour les fins du chemin de fer, selon des conditions, et aux endroits, à déterminer de temps en temps par contrat spécial entre les susdites Sociétés.

#### IX.

Les droits de la Société du Chemin de Fer de Bagdad, découlant de l'article 9 de la Convention du 20 février (5 mars), 1903, ne resteront plus en vigueur à partir du 31 décembre (n.s.), 1918, sauf le cas où il serait démontré qu'il n'existe pas d'autre moyen satisfaisant aux besoins spécifiés audit article 9, et, en tous les cas, lesdits droits seront déterminés dès que la construction du Chemin de Fer de Bagdad aura été complétée jusqu'à Bassora.

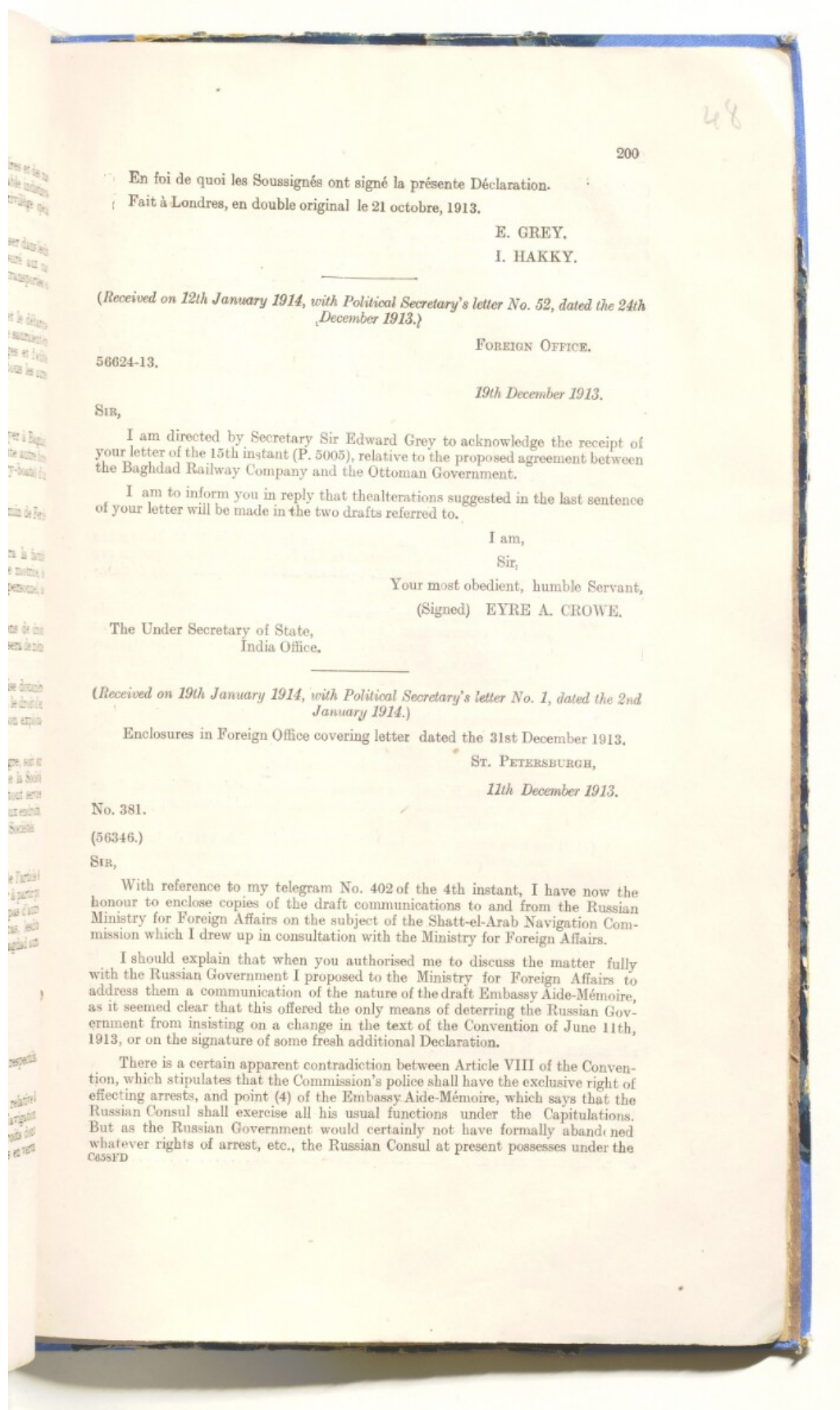
#### ENCLOSURE 3 IN NO. 1.

##### Déclaration.

LES Soussignés, dûment autorisés à cet effet par leurs Gouvernements respectifs, déclarent ainsi qu'il suit :—

Il est bien entendu que les clauses des articles 7 et 8 de la Convention relative à l'Etablissement d'une Commission pour améliorer les Conditions de la Navigation du Chatt-el-Arab, conclue le 29 juillet, 1913, ne modifient en rien les droits dont jouissent actuellement en Turquie les ressortissants de certaines Puissances en vertu traités existants.





Capitulations, and as I do not think they would be prepared expressly to admit the right of the Commission to arrest Russian subjects, I thought it best to propose a formula stating generally that the Consul continued to exercise his ordinary functions in relation to Russian subjects. This appears to leave intact the right of the Commission to effect arrests, whether *in flagrante delicto* or otherwise, which I understand to be the point of chief importance.

After the text of the proposed communications had been finally agreed on, the Head of the Eastern Section of the Ministry remarked that he presumed that if some other Power refused to make the concessions regarding the jurisdiction of the Commission to which Russia had consented, Russia would not be placed in a less favourable position than any other nation. I replied that I thought that there was no danger of any other Power refusing to recognise the powers of the Commission and Mr. de Klenm did not pursue the subject.

I have, etc.,  
(Signed) HUGH O'BEIRNE.

The Right Honourable

Sir E. Grey, Bart., K.G., M.P.,  
etc., etc., etc.

En se référant à l'Aide-Mémoire du Ministère Impérial du 17-30 Novembre au sujet des droits de police et de juridiction de la Commission de Navigation sur le Chatt-el-Arabe le Chargé d'Affaires d'Angleterre est autorisé à faire les déclarations suivantes.

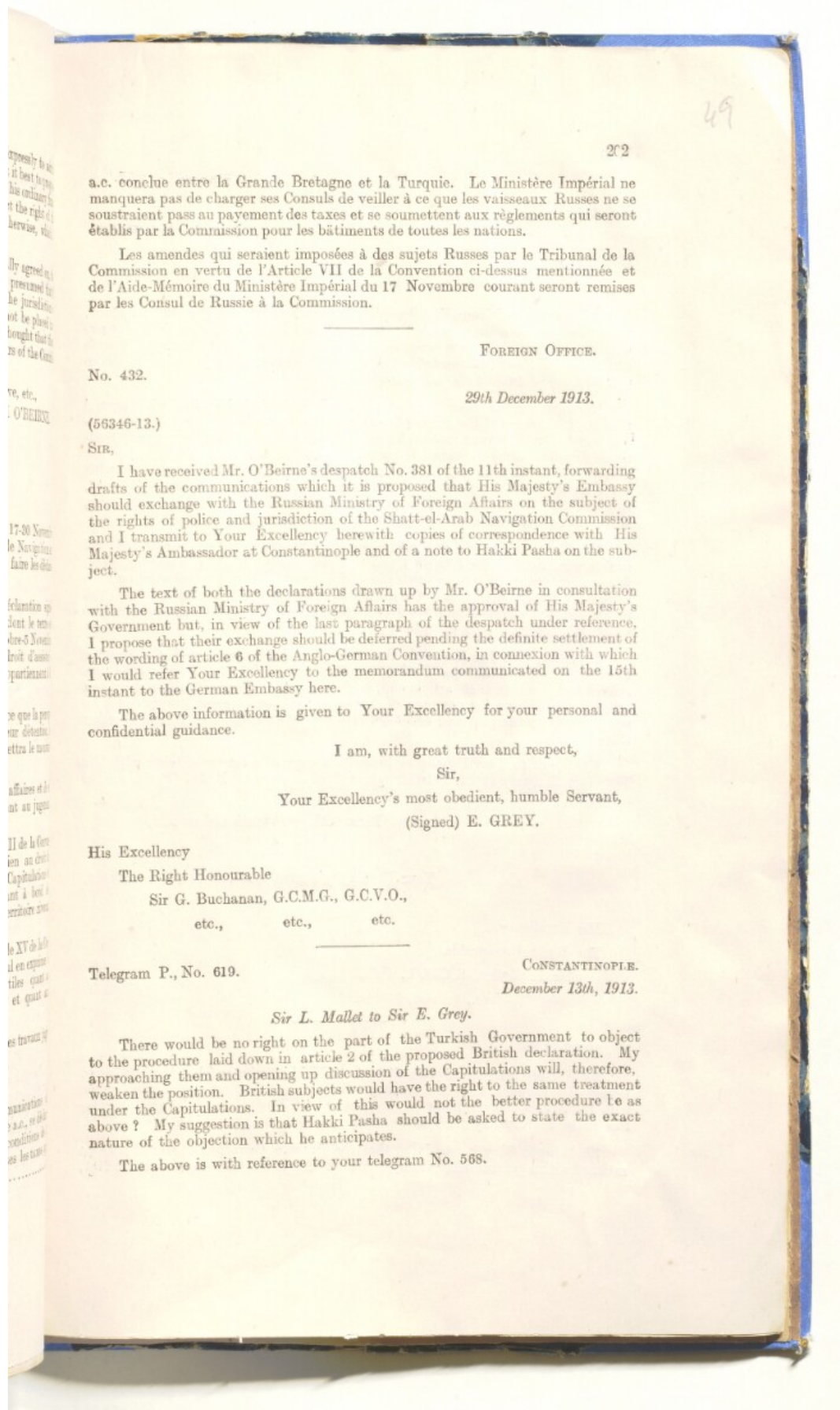
- (1) Le Gouvernement Britannique entend bien par la Déclaration signée avec le Gouvernement Ottoman le 21 Octobre et dont le texte est cité dans l'Aide Mémoire de l'Ambassade du 23 Octobre-5 Novembre, que le Drogman du Consulat de Russie aura le droit d'assister à l'examen des affaires dans lesquelles les accusés appartiennent à la sujétion Russe.
- (2) Le Gouvernement Britannique n'a aucune objection à ce que la perception des amendes sur les sujets Russes ainsi que leur détention, le cas échéant, ait lieu dans le Consulat. Celui-ci remettra le montant des sommes ainsi perçues à la Commission.
- (3) Le Consul aura le droit de prendre connaissance des affaires et de se mettre en rapport avec la Commission préalablement au jugement de celles-ci.
- (4) Il est bien entendu que les stipulations de l'Article VIII de la Convention Anglo-Turque du 11 Juin ne touchent en rien au droit du Consul Russe d'exercer ses fonctions, d'après les Capitulations et usages établis, par rapport aux sujets Russes, tant à bord des vaisseaux Russes sur le Chatt-el-Arabe que sur le territoire riverain de la Commission.
- (5) En plus des comptes rendus annuels prévus par l'Article XV de la Convention, la Commission ne manquera pas, si le Consul en exprime le désir, de fournir à celui-ci toutes explications utiles quant au montant des droits prélevés par la Commission, et quant aux travaux qui ont nécessité ces droits.

Le Consul n'aura toutefois pas le droit d'opposer son veto à des travaux jugés nécessaires par la Commission.

*Aide-Mémoire.*

Le Gouvernement Impérial, en prenant acte des communications de l'Ambassade Britannique du 23 Octobre et.....Novembre a.c., se déclare prêt à reconnaître le droit de la Commission pour améliorer les conditions de la Navigation du Chatt-el-Arabe de percevoir sur les vaisseaux Russes les taxes qui seront fixées en vertu de l'Article XI de la Convention du.....





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a.c. conclue entre la Grande Bretagne et la Turquie. Le Ministère Impérial ne manquera pas de charger ses Consuls de veiller à ce que les vaisseaux Russes ne se soustraient pass au payement des taxes et se soumettent aux règlements qui seront établis par la Commission pour les bâtimens de toutes les nations.

Les amendes qui seraient imposées à des sujets Russes par le Tribunal de la Commission en vertu de l'Article VII de la Convention ci-dessus mentionnée et de l'Aide-Mémoire du Ministère Impérial du 17 Novembre courant seront remises par les Consuls de Russie à la Commission.

FOREIGN OFFICE.

No. 432.

29th December 1913.

(56346-13.)

SIR,

I have received Mr. O'Beirne's despatch No. 381 of the 11th instant, forwarding drafts of the communications which it is proposed that His Majesty's Embassy should exchange with the Russian Ministry of Foreign Affairs on the subject of the rights of police and jurisdiction of the Shatt-el-Arab Navigation Commission and I transmit to Your Excellency herewith copies of correspondence with His Majesty's Ambassador at Constantinople and of a note to Hakki Pasha on the subject.

The text of both the declarations drawn up by Mr. O'Beirne in consultation with the Russian Ministry of Foreign Affairs has the approval of His Majesty's Government but, in view of the last paragraph of the despatch under reference, I propose that their exchange should be deferred pending the definite settlement of the wording of article 6 of the Anglo-German Convention, in connexion with which I would refer Your Excellency to the memorandum communicated on the 15th instant to the German Embassy here.

The above information is given to Your Excellency for your personal and confidential guidance.

I am, with great truth and respect,

Sir,

Your Excellency's most obedient, humble Servant,

(Signed) E. GREY.

His Excellency

The Right Honourable

Sir G. Buchanan, G.C.M.G., G.C.V.O.,

etc., etc., etc.

Telegram P., No. 619.

CONSTANTINOPLE.

December 13th, 1913.

Sir L. Mallet to Sir E. Grey.

There would be no right on the part of the Turkish Government to object to the procedure laid down in article 2 of the proposed British declaration. My approaching them and opening up discussion of the Capitulations will, therefore, weaken the position. British subjects would have the right to the same treatment under the Capitulations. In view of this would not the better procedure be as above? My suggestion is that Hakki Pasha should be asked to state the exact nature of the objection which he anticipates.

The above is with reference to your telegram No. 568.



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FOREIGN OFFICE.

No. 467.

December 29th, 1913.

(56299-13.)

SIR,

I have received Your Excellency's telegram No. 619 of the 13th instant, relative to the objections which Hakki Pasha anticipates that the Turkish Government will raise to the procedure laid down in article 2 of the proposed British declaration to Russia on the subject of the rights of police and jurisdiction to be exercised by the Shatt-el-Arab Navigation Commission.

The question has been further discussed with Hakki Pasha, who argued that the 2nd article of the proposed declaration to be made by His Majesty's Government to Russia was an interpretation, in a sense contested by Turkey, of a matter in dispute. Russia claimed the privileges in question, and Turkey did not concede them "in principle". Why could not Russia, he asked, be satisfied with a "general" declaration, such as the Anglo-Turkish one of October 21st, 1913, to the effect that articles 7 and 8 of the Anglo-Turkish Convention of July 29th, 1913, did not affect the treaty rights of foreign Powers?

His Highness was told in reply, firstly, that Russia would not be satisfied with such a wording, because articles 7 and 8 of the Anglo-Turkish Convention were, in her view, too specific to be neutralised by a declaration in general wording such as that of October 21st, and it was quite clear that Russia would not pay the dues unless she were satisfied by some declaration such as is proposed in the article to which His Highness took exception.

Secondly, that His Majesty's Government entirely agreed with the Russian Government in thinking that Turkey would have no right to object to the procedure laid down in that article and, such being the case, and there being no other means of securing payment of the dues by Russian ships, there could be no objection to the proposed exchange of notes between the British and Russian Governments.

I transmit to Your Excellency herewith a copy of a correspondence with His Majesty's Embassy at St. Petersburg and of a note to Hakki Pasha on the subject.

I am, with great truth and respect,

Sir,

Your Excellency's most obedient, humble Servant,

His Excellency

The Right Honourable

Sir L. Mallet, K.C.M.G., C.B.,

etc., etc., etc.

No. 56299-13.

Sir E. Grey presents his compliments to Hakki Pasha and has the honour to inform His Highness that His Majesty's Government propose to exchange notes with the Russian Government on the subject of the rights of police and jurisdiction to be exercised by the Shatt-el-Arab Navigation Commission.

Sir Edward Grey is convinced that the Russian Government would not be satisfied with a general declaration, such as the Anglo-Turkish one of October 21st,





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1913, to the effect that articles 7 and 8 of the Anglo-Turkish Convention of July 29th, 1913, does not affect the treaty rights of foreign Powers.

In the view of the Russian Government, articles 7 and 8 of the Anglo-Turkish Convention are too specific to be neutralised by a declaration in general wording such as that of October 21st and it is clear to Sir E. Grey that Russia would not pay the dues unless she were satisfied by some declaration such as is proposed in the article to which His Highness took exception.

His Majesty's Government moreover entirely agree with the Russian Government in thinking that Turkey would have no right to object to the procedure laid down in that article and, such being the case, and there being no other means of securing payment of the dues by Russian ships, there can be no objection to the proposed exchange of notes between the British and Russian Governments.

FOREIGN OFFICE,

29th December 1913.

EXTRACT.

(Received on the 26th January 1914, with Political Secretary's No. 2, dated the 9th January 1914.)

Enclosures in Foreign Office covering letter dated the 2nd January 1914.

\* \* \* \* \*

9, THROGMORTON AVENUE,

18th December 1913.

*Tigris and Euphrates Navigation Concession.*

SIR,

With reference to the Concession granted to me under date of 12th December 1913 by His Highness Hakki Pasha on behalf of the Imperial Ottoman Government, I beg to confirm the assurance, which I have already given to Mr. Alwyn Parker, C. M. G., viz., that, if so requested by His Britannic Majesty's Government, I will by a separate contract with the Imperial Ottoman Government agree (a) to the Imperial Ottoman Government nominating a representative of the Bagdad Railway interests as one of the Ottoman Directors of the Company which I am to form to work the Concession, (b) to the acquisition by the Bagdad Railway interests of up to but not exceeding 40 per cent. of the share capital of the said Company to be allotted to Ottoman subjects at the first allotment and the right in respect thereof to subscribe for a rateable proportion of any further issues of capital of the said Company after the first allotment of shares.

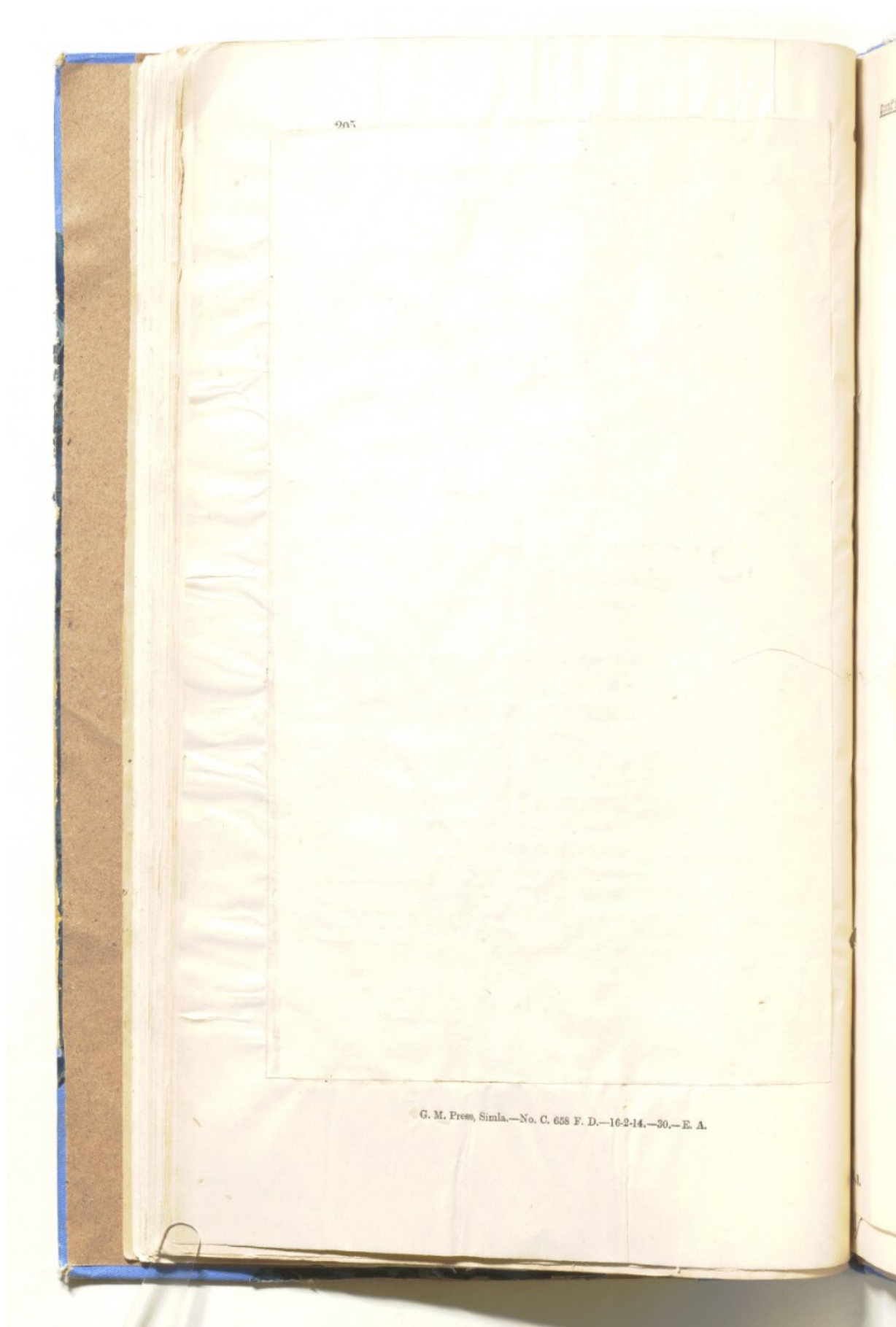
In giving the above assurance I am of course assuming that the Imperial Ottoman Government will approve any provisions which it may be found necessary to insert in the Statutes of the Company in connection with the above-mentioned arrangement.

I am, &c.,

(Sd). INCHCAPE.

The Under Secretary of State.

Foreign Office.



G. M. Press, Simla.—No. C. 658 F. D.—16-2-14.—30.—E. A.





Confidential.

No. 657 of 1914.

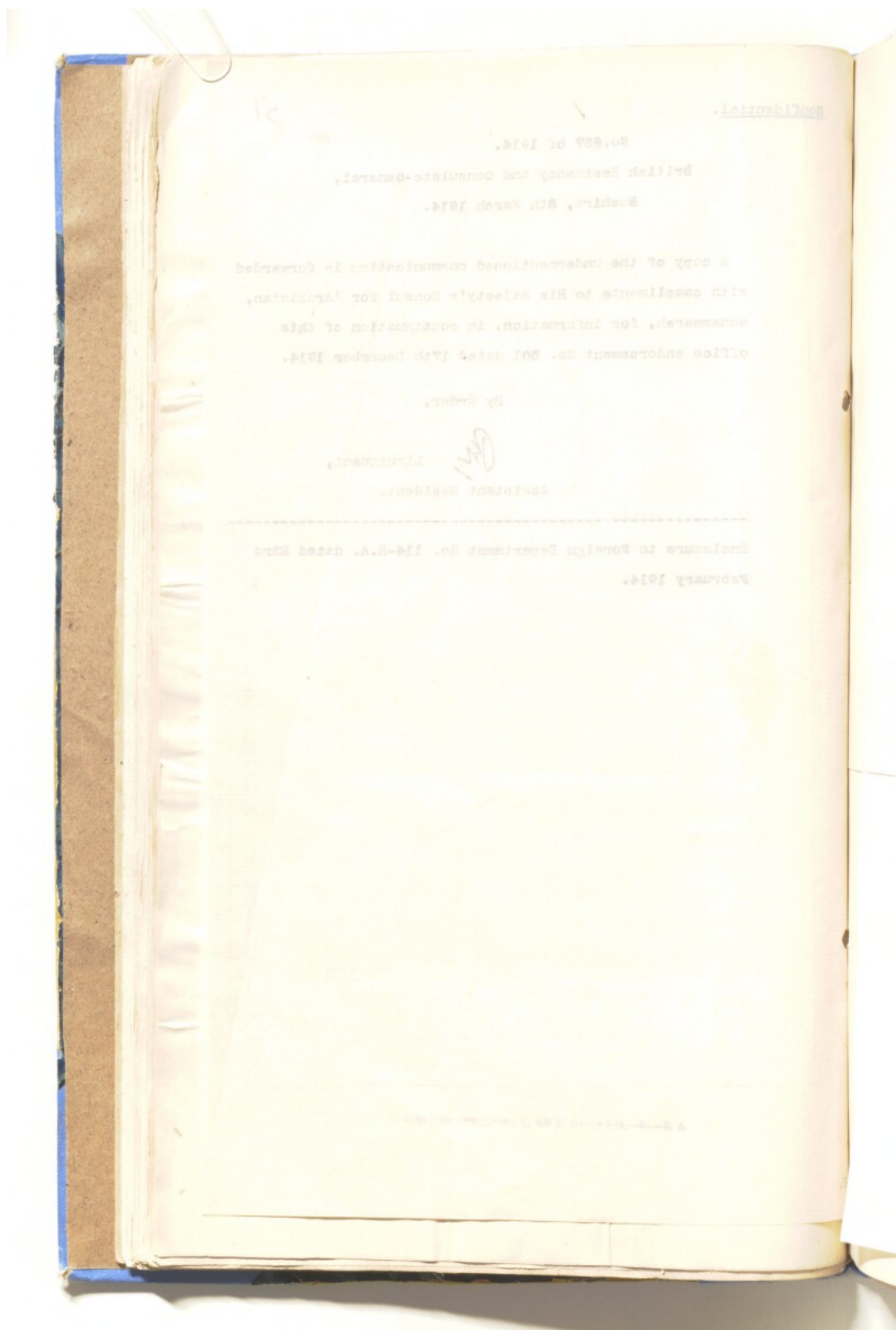
British Residency and Consulate-General,  
Bushire, 6th March 1914.

A copy of the undermentioned communication is forwarded  
with compliments to His Majesty's Consul for 'Arabistan,  
Muhammadiyah, for information, in continuation of this  
office endorsement No. 501 dated 17th December 1914.

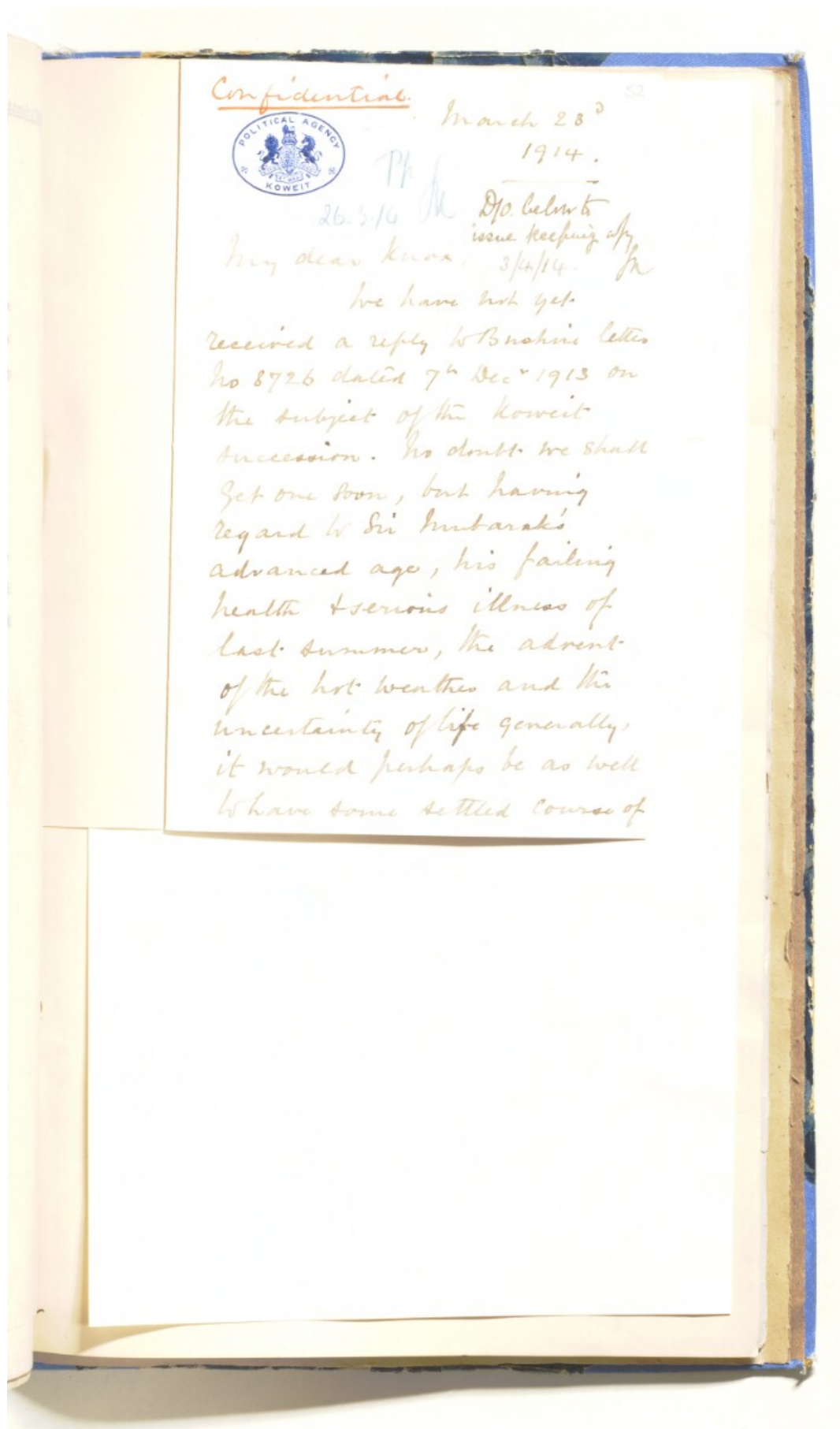
By Order,

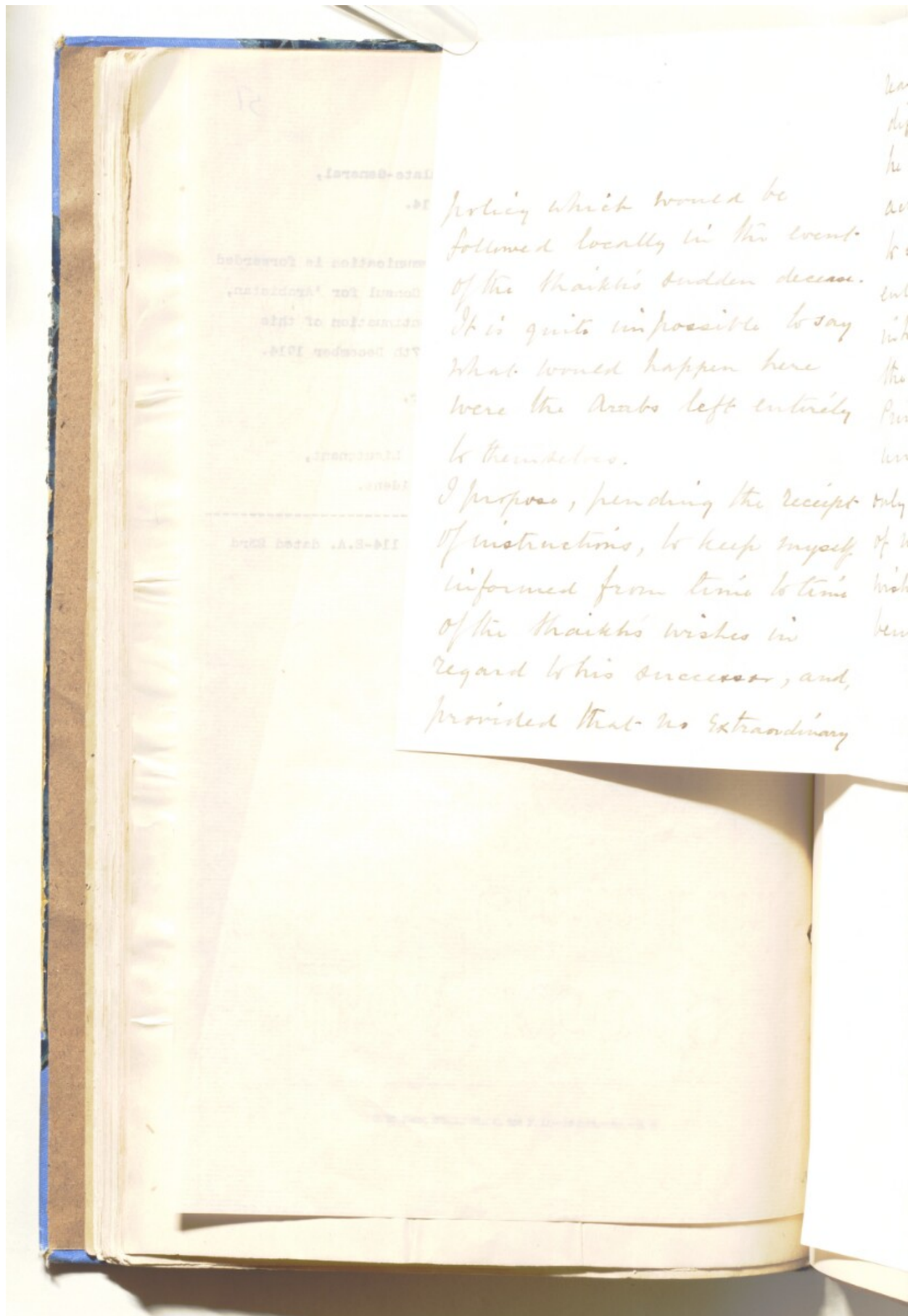
Lieutenant,  
Assistant Resident.

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Enclosure to Foreign Department No. 114-E.A. dated 23rd  
February 1914.









policy which would be  
followed locally in the event  
of the Shaikh's sudden decease.  
It is quite impossible to say  
what would happen here  
were the Arabs left entirely  
to themselves.

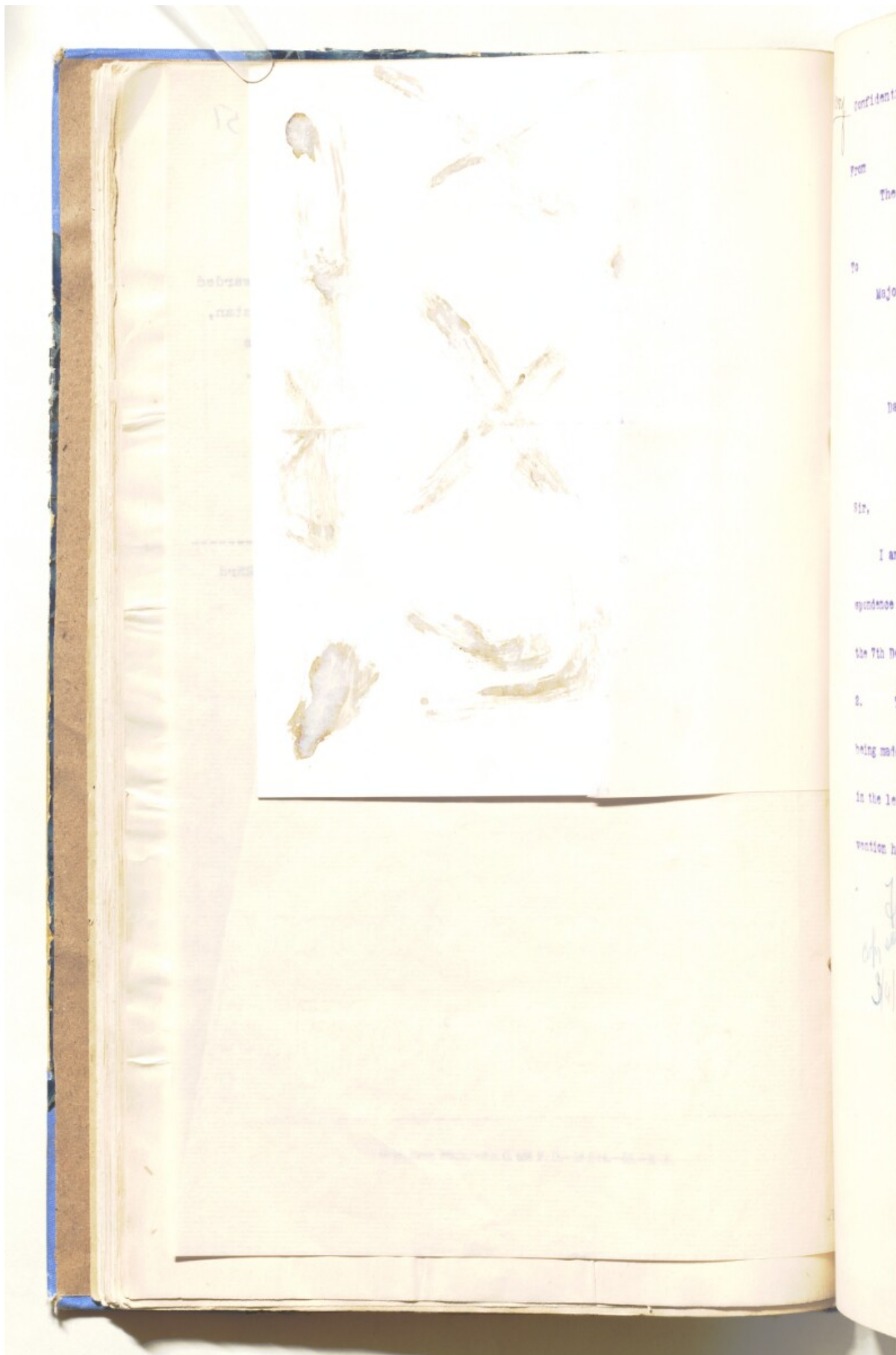
I propose, pending the receipt  
of instructions, to keep myself  
informed from time to time  
of the Shaikh's wishes in  
regard to his successor, and,  
provided that no extraordinary





Reason exists for taking a  
different course, will, should  
he die suddenly, take such  
action as may be necessary  
to enable the nominee to  
enter quietly upon his  
inheritance and carry on  
the Government of the  
Principality; it being  
understood that action will  
only be taken by me in case  
of necessity to ensure the  
wishes of the deceased ruler  
being carried out.

Yours sincerely  
W. Grey.







*Very* Confidential.

No. 1518-D.

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From

The Deputy Secretary to the Government of India  
in the Foreign and Political Department.

To

Major S.G.Knox, C.I.E.,  
Political Resident in the Persian Gulf.

Dated Delhi, the 24<sup>th</sup> March, 1914.

Sir,

I am directed to invite a reference to the correspondence ending with Sir P.Cox's letter No. 3726, dated the 7th December 1913, regarding the Kuwait succession.

2. The Government of India approve a communication being made to the Shaikh of Kuwait on the lines suggested in the letter above quoted after the Anglo-Turkish Convention has been ratified.

I have the honour to be,

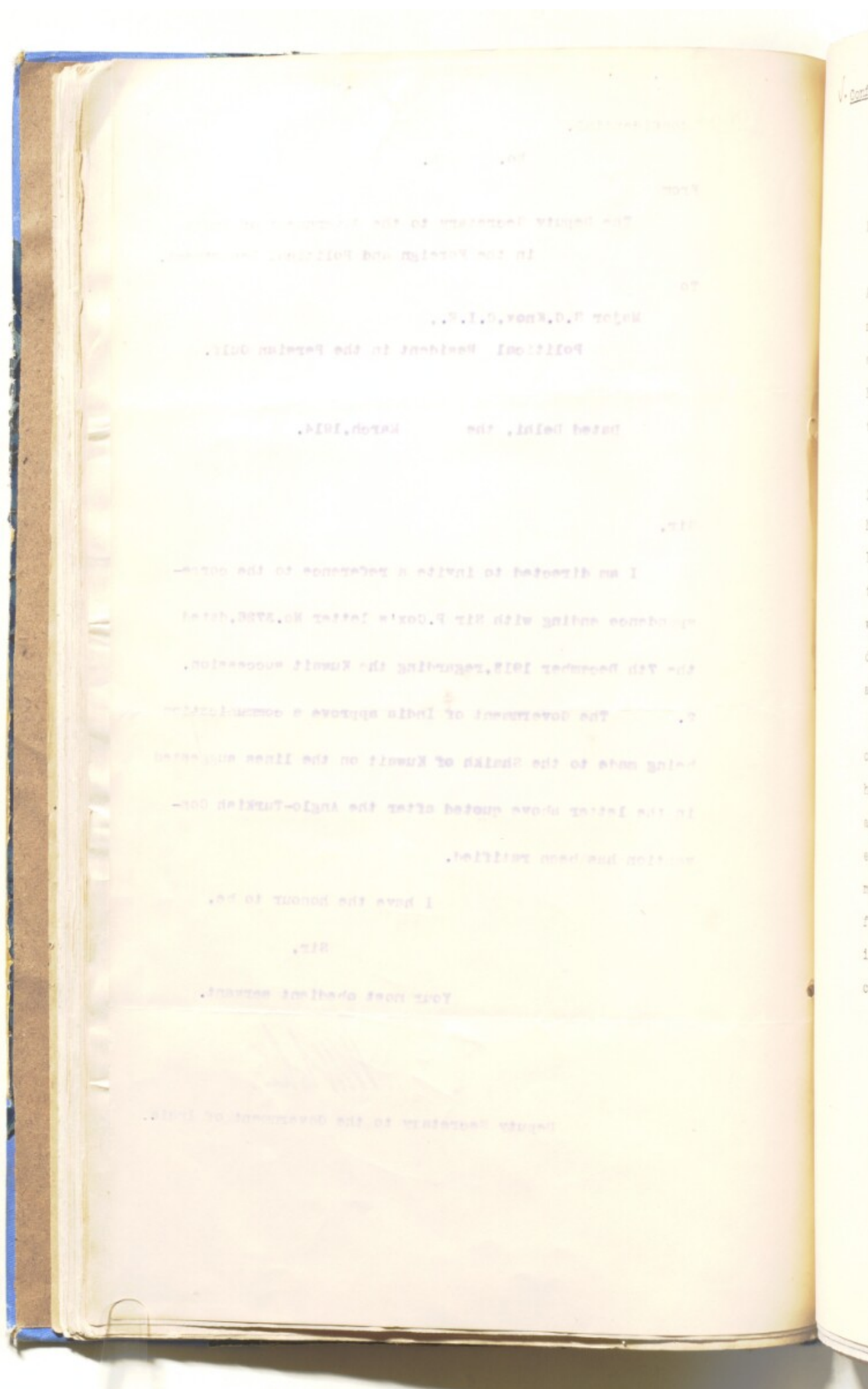
Sir,

Your most obedient servant.

*W. H. John.*

Deputy Secretary to the Government of India.

*File after Kuwait  
copy sent to Mr. Knox  
3/4/14*







✓ Confidential.

3rd April 1914. 54

My dear Grey,

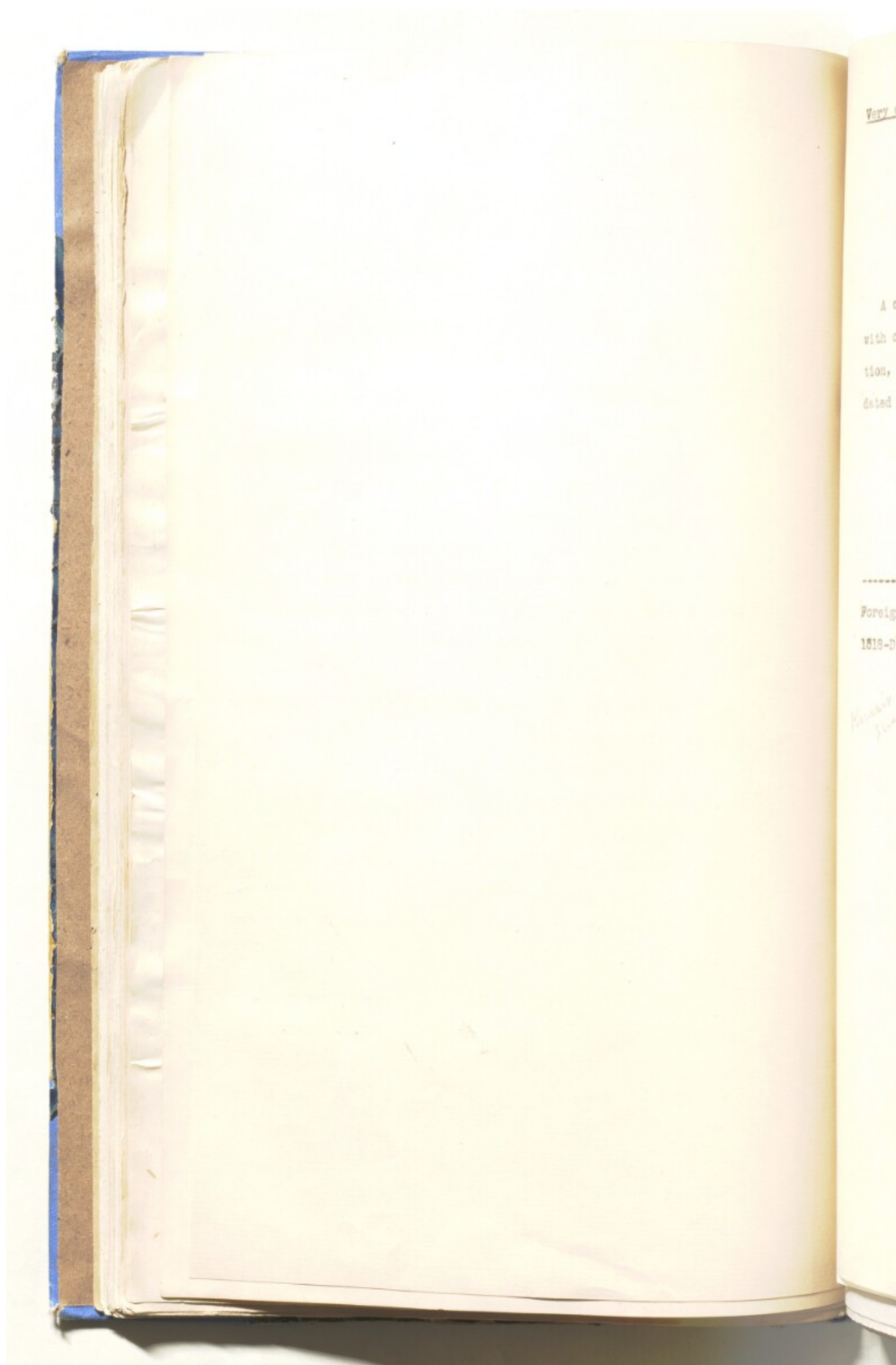
Thanks for your confidential d.o. of 3rd March. A reply to the letter you speak of goes to you by this mail and I shall be glad if you will remind me as soon as you know definitely that the Anglo-Turkish Convention has been ratified, in case of Government of India instructions being accidentally overlooked here.

You would, of course, rightly carry on on the lines you suggest should Shaikh Mubarak die suddenly and I hope you would experience no difficulty. I think a very little recognition by yourself would suffice to keep things quiet. I have no doubt too that instructions will come showering in on us if, or rather when Mubarak dies and I should certainly come over with instructions as soon as possible.

I somehow doubt the necessity of talking the matter over with the Shaikh unless he himself raises it, as he no doubt will from time to time. There has never been any doubt has there of his wishing Shaikh Jabir, his eldest son, to succeed him. That was the position in my time and though I have not yet gone through the files fully. I see passages that have been slipped for me, in Shakespear's time which seem to point to the same conclusion.

Yours sincerely,

S.G. Knox.







Very confidential.

No. 973 of 1914.

British Residency and Consulate-General,  
Bushire, 4th April 1914.

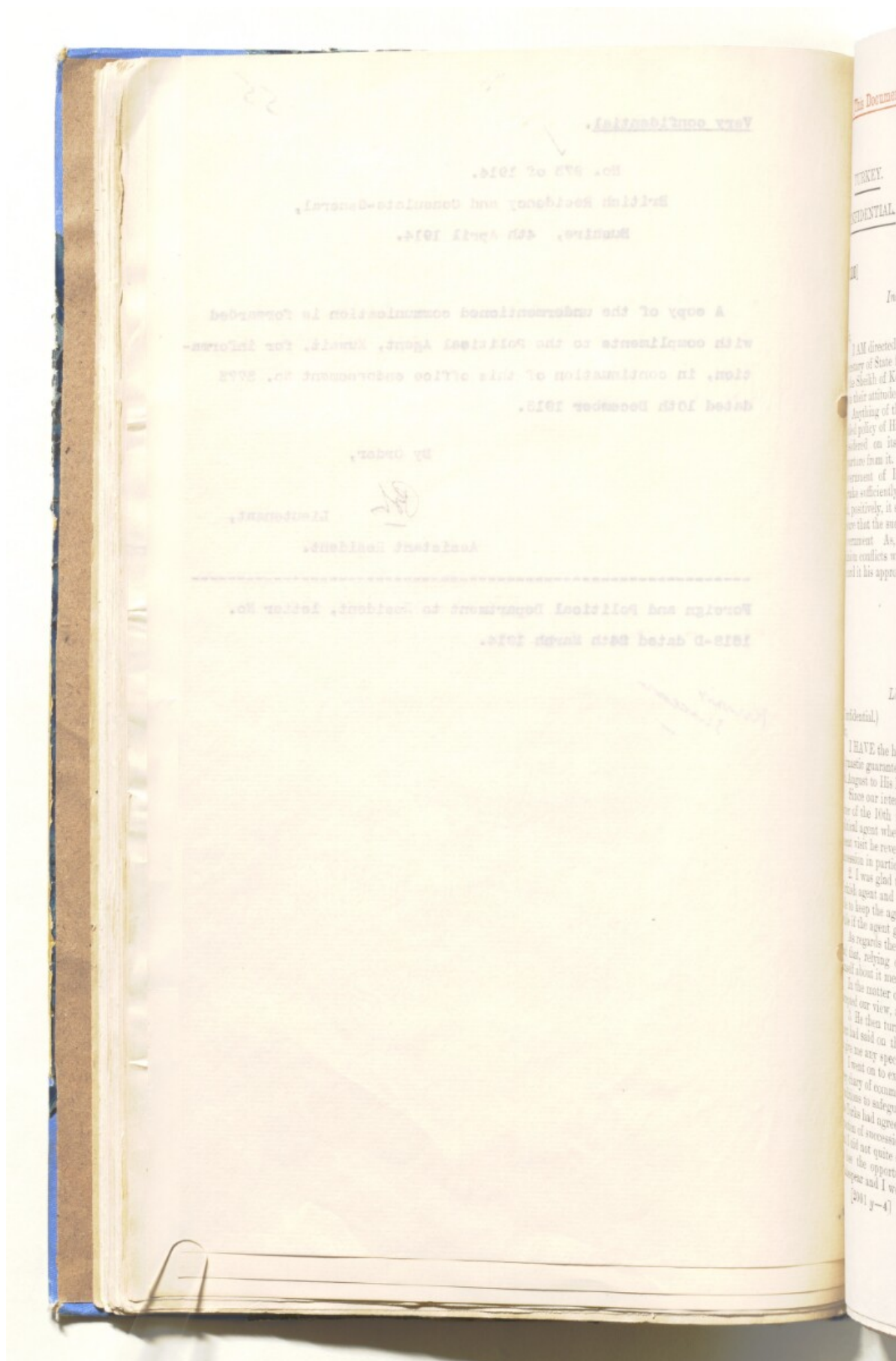
A copy of the undermentioned communication is forwarded  
with compliments to the Political Agent, Kuwait, for informa-  
tion, in continuation of this office endorsement No. 3773  
dated 10th December 1913.

By Order,

Lieutenant,  
Assistant Resident.

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Foreign and Political Department to Resident, letter No.  
1518-D dated 24th March 1914.

*Kinnis  
Sunderland*







9.4.14 56  
[This Document is the Property of His Britannic Majesty's Government.]

TURKEY.

[January 22.]

CONFIDENTIAL

SECTION 4.

[3120]

No. 1.

*India Office to Foreign Office.—(Received January 22.)*

Sir,

*India Office, January 21, 1914.*

I AM directed by the Secretary of State for India to forward, to be laid before the Secretary of State for Foreign Affairs, copy of the correspondence regarding the desire of the Sheikh of Koweit for some further assurance from His Majesty's Government as to their attitude in the matter of the succession.

Anything of the nature of a dynastic pledge would involve a departure from the settled policy of His Majesty's Government, and, though each case must doubtless be considered on its merits, strong justification would be required for any radical departure from it. But the purely personal assurance in guarded language which the Government of India recommend does not, in the Marquess of Crewe's opinion, partake sufficiently of the nature of a dynastic pledge to be open to objection *a priori*, and, positively, it seems to him to be very desirable to make such arrangements as will ensure that the successor selected by the Sheikh will be acceptable to His Majesty's Government. As, therefore, there is nothing in the proposed assurance which in his opinion conflicts with the Anglo-Turkish Convention he trusts that Sir E. Grey will accord it his approval.

I am, &c.

T. W. HOLDERNESS.

Enclosure 1 in No. 1.

*Lieutenant-Colonel Sir P. Cox to Government of India*

(Confidential.)

Sir,

*Bushire, November 9, 1913.*

I HAVE the honour to revert to the question of the Sheikh of Koweit's desire for a dynastic guarantee, last referred to in the Government of India's telegram of the 9th August to His Majesty's Secretary of State.

Since our interview in the Shatt-el-Arab on the 7th July, and the despatch of my letter of the 10th idem to Government, Sheikh Mubarak has repeatedly asked the political agent whether there was any reply from Government on this point, and at my recent visit he reverted to the subject of the convention generally and the question of succession in particular.

2. I was glad to find that he had quite reconciled himself to the presence of the Turkish agent and agreed with us that the chances were that he would generally be able to keep the agent in his pocket, as Sheikh Khazal does the Persian karguzar, while if the agent gave trouble he would be able to get rid of him with our assistance.

As regards the customs contingency, too, he realised that it was remote at present, and that, relying on our co-operation when the time came, he would not concern himself about it meanwhile.

In the matter of the reception of foreigners, *e.g.*, Messrs. Wönckhaus, he readily accepted our view, and would admit none except under our advice.

3. He then turned to the question of the succession, and asked me what Government had said on that point. I replied that they had apparently not found it possible to give me any special reply or instructions.

I went on to explain to him that His Majesty's Government naturally had to be very chary of committing themselves to guarantees of this sort for all time and without conditions to safeguard them in certain eventualities, and that in his case, seeing that the Turks had agreed in the present convention to abstain from all interference in the question of succession, it was consequently simply a matter concerning himself and us, and I did not quite see what reason he had to be anxious about it. Thinking it a pity to lose the opportunity of getting at his real feelings, I continued that Captain Shakespear and I would, as he knew, shortly be going home on leave, and that we

[2001 y-4]



three might not have another opportunity of a quiet talk together, so could he not, now that we were on the subject, confide to us what he really had in mind so that we might understand the position exactly and be in a position to make any further explanation to Government that might be indicated. He readily responded. He said he quite understood the difficulty of His Majesty's Government in such questions and did not want to nominate anybody now as his presumptive successor, nor did he press for anything in writing, but that what exercised him was the thought, or the fear, that when the time came for him to go some individual or individuals from among his family or kinsmen, who found themselves disappointed, might engineer active discord which, if we held aloof, might rack the principality and undo his lifework as Sheikh in the direction of consolidation and improvement. What he so much wanted was to be able to feel assured that when he joined the majority, provided that we had no reason to differ from his wishes at the time, or his testamentary dispositions if he went suddenly, we would, in case of necessity, stand by, and even intervene to regulate the situation.

We told him that we quite appreciated his point of view and would place it fully before Government for sympathetic consideration.

4. I venture to think that it would not be difficult to find a formula that would set the mind of our venerable protégé at rest, and I much hope that Government will see their way to devise one which will have that effect without inconveniently committing themselves.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in  
the Persian Gulf, and His Majesty's Consul-  
General for Fars, &c.

Enclosure 2 in No. 1.

*Government of India to Lieutenant-Colonel Sir P. Cox.*

(Telegraphic.) P. .  
KOWEIT.

Simla, November 26, 1913.

With reference to your letter of the 9th November.

Kindly send a draft of the formula which in your opinion would be suitable to satisfy the Sheikh.

Enclosure 3 in No. 1.

*Lieutenant-Colonel Sir P. Cox to Government of India.*

Sir,

Bushire, December 7, 1913.

I HAVE the honour to reply to Foreign Department telegram, dated the 26th November, 1913, regarding Koweit succession.

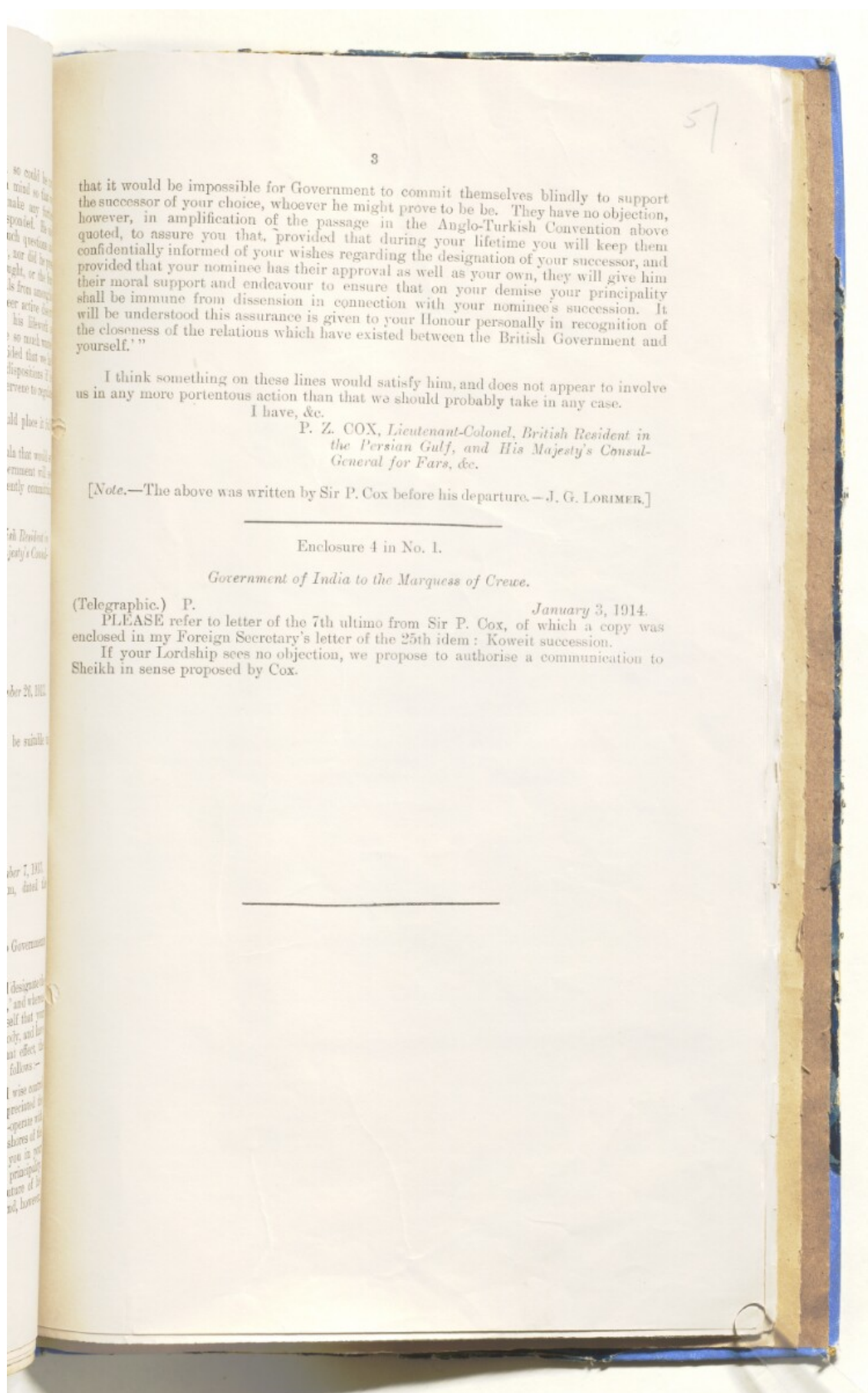
2. I think we might write to the Sheikh as follows :—

"Whereas under the terms of the Anglo-Turkish Convention the two Governments have agreed that—

" . . . In event of decease the Imperial Ottoman Government will designate the successor of the deceased Sheikh, kaimakam by Imperial Farman . . . , and whereas your Honour has urged that this wording affords no assurance to yourself that your 'successor' in the rulership of Koweit be from among the heirs of your body, and have asked the British Government to reassure you with an undertaking to that effect, the great Government have considered the matter, and I am to inform you as follows :—

"The British Government have recognised the statesmanship and wise control with which you have conducted your administration, and have fully appreciated the friendliness and cordiality with which you have always endeavoured to co-operate with them in their mission of promotion of order and good government on the shores of the Persian Gulf, and in return for which they have been glad to support you in your legitimate aspirations for increasing the prosperity and civilisation of your principality. They therefore regard you as a true friend, whose wishes for the future of his possession they would in principle be glad to support. You will understand, however,





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that it would be impossible for Government to commit themselves blindly to support the successor of your choice, whoever he might prove to be. They have no objection, however, in amplification of the passage in the Anglo-Turkish Convention above quoted, to assure you that, provided that during your lifetime you will keep them confidentially informed of your wishes regarding the designation of your successor, and provided that your nominee has their approval as well as your own, they will give him their moral support and endeavour to ensure that on your demise your principality shall be immune from dissension in connection with your nominee's succession. It will be understood this assurance is given to your Honour personally in recognition of the closeness of the relations which have existed between the British Government and yourself."

I think something on these lines would satisfy him, and does not appear to involve us in any more portentous action than that we should probably take in any case.

I have, &c.

P. Z. COX, Lieutenant-Colonel, British Resident in  
the Persian Gulf, and His Majesty's Consul-  
General for Fars, &c.

[Note.—The above was written by Sir P. Cox before his departure. — J. G. LORIMER.]

Enclosure 4 in No. 1.

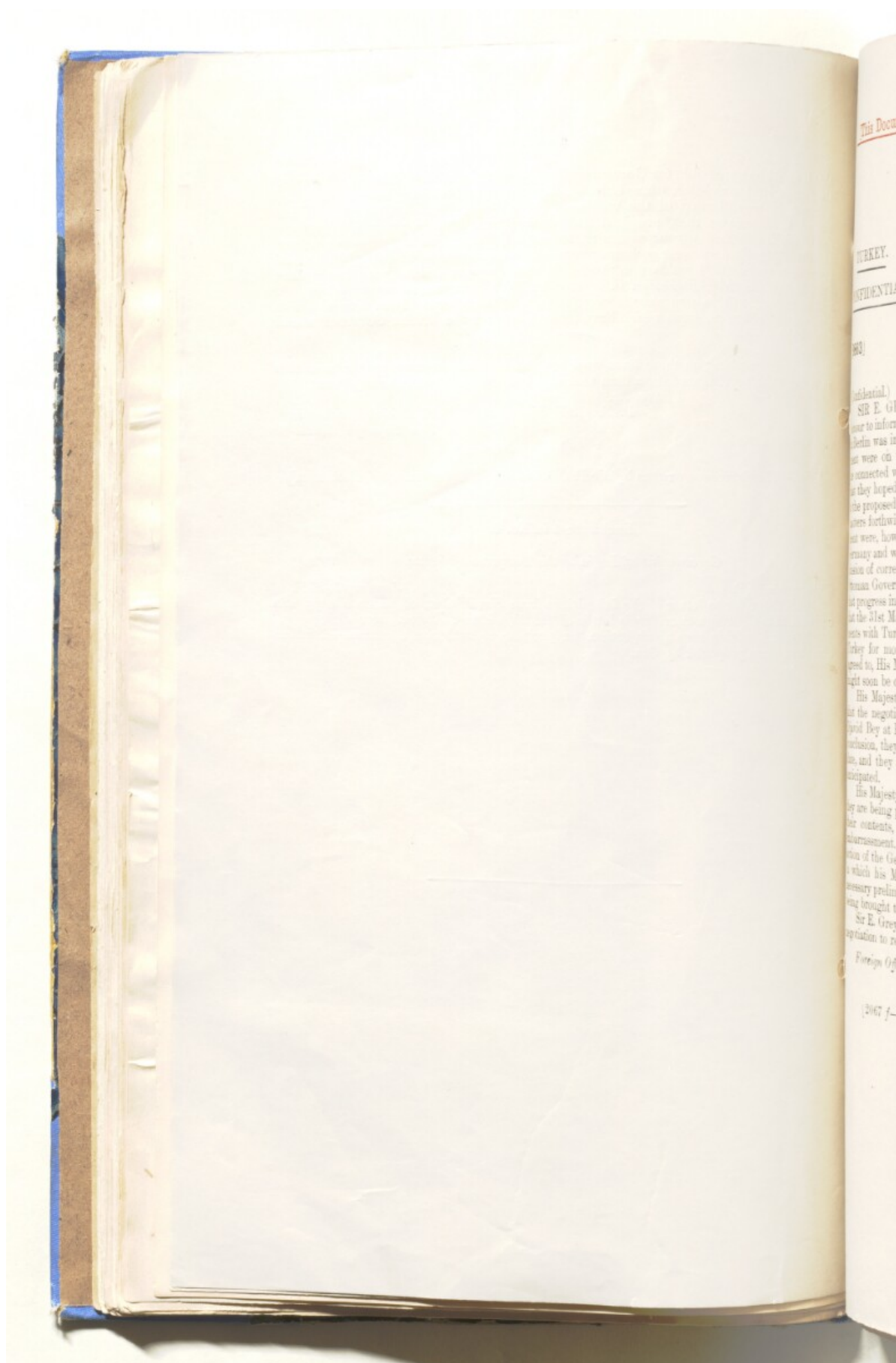
*Government of India to the Marquess of Crewe.*

(Telegraphic.) P.

January 3, 1914.

PLEASE refer to letter of the 7th ultimo from Sir P. Cox, of which a copy was enclosed in my Foreign Secretary's letter of the 25th idem: Koweit succession.

If your Lordship sees no objection, we propose to authorise a communication to Sheikh in sense proposed by Cox.







9.4.14 58  
[This Document is the Property of His Britannic Majesty's Government.]

TURKEY.

[March 6.]

CONFIDENTIAL.

SECTION 1.

[9863]

No. 1.

*Sir Edward Grey to Prince Lichnowsky.*

(Confidential.)

SIR E. GREY presents his compliments to the German Ambassador, and has the honour to inform his Serene Highness that on the 3rd instant His Majesty's Ambassador at Berlin was instructed to inform the German Government that His Majesty's Government were on the point of concluding their agreements with Turkey so far as they are connected with the proposed customs increase as distinct from the monopolies, and that they hoped to reach complete agreement with the German Government in regard to the proposed Anglo-German Convention respecting the Bagdad Railway and cognate matters forthwith. Sir E. Goschen was further to explain that His Majesty's Government were, however, disturbed by the reflection that the British agreements both with Germany and with Turkey could not, to a large extent, become operative until the conclusion of corresponding agreements between the Bagdad Railway Company and the Ottoman Government, and the Ottoman Government and the German Government, and that progress in this direction did not appear to be very rapid. His Excellency was to add that the 31st March was the latest date fixed for the ratification of the British agreements with Turkey, and, both on this account and in view of the urgent necessity of Turkey for money, which could not be raised until the customs increase had been agreed to, His Majesty's Government earnestly trusted that the negotiations at Berlin might soon be concluded.

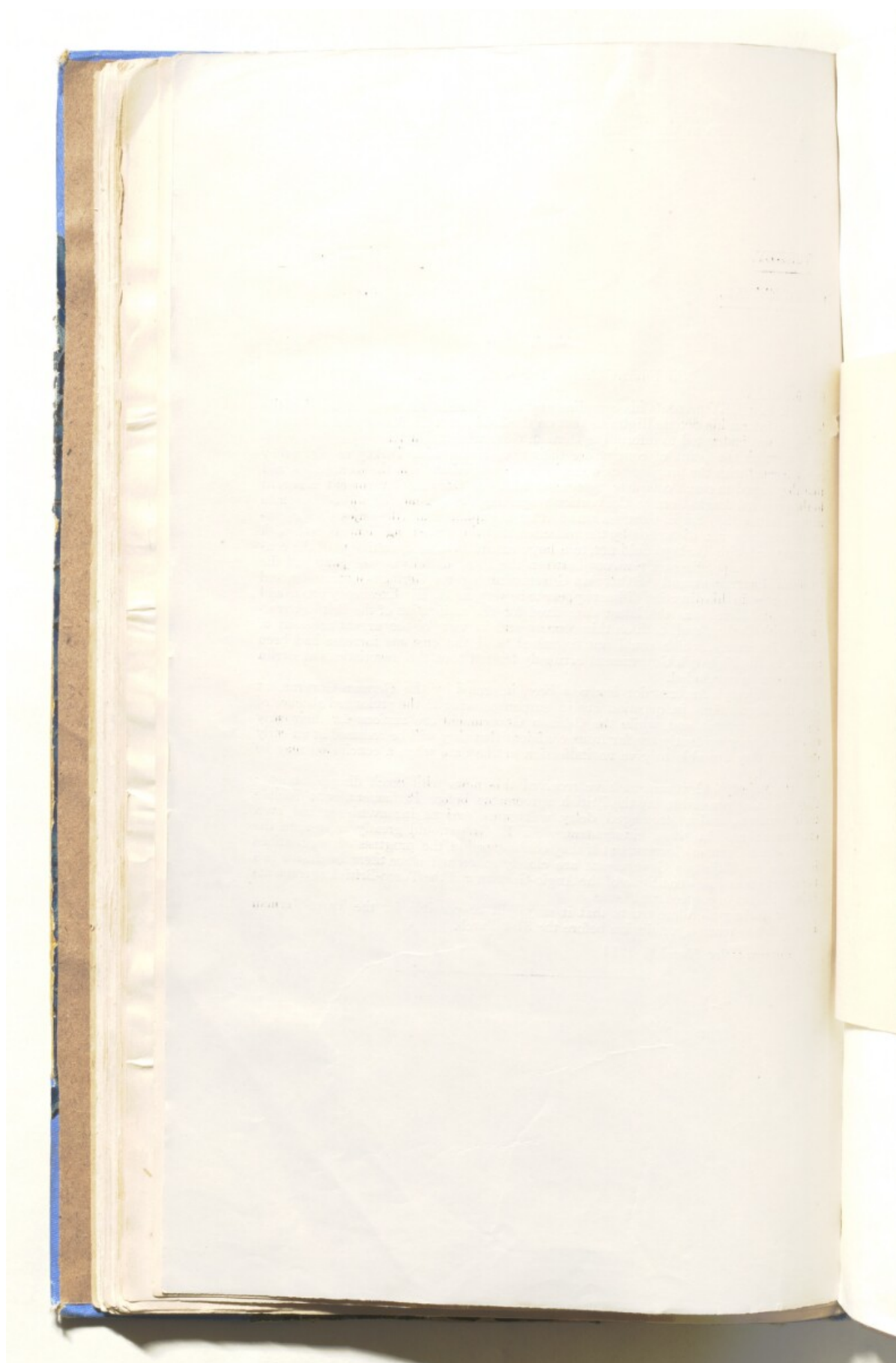
His Majesty's Ambassador has now been informed by the German Government that the negotiations in question are in suspense, owing to the prolonged absence of Djavid Bey at Paris, and, while the German Government are anxious for their early conclusion, they evidently are far from confident that they will be resumed at an early date, and they are able to give no indication of the date when a conclusion may be anticipated.

His Majesty's Government have received this news with much disappointment; they are being pressed to lay the British agreements before Parliament, or to disclose their contents, and a prolonged delay will cause serious inconvenience and even embarrassment. In these circumstances Sir E. Grey would greatly appreciate the action of the German Government if they could expedite the progress of negotiations in which his Majesty's Government are closely concerned, since their conclusion is a necessary preliminary condition of the Anglo-German and the Turco-British agreements being brought to a successful issue.

Sir E. Grey therefore trusts that it may still be possible for the Turco-German negotiation to reach a conclusion before the 31st March.

*Foreign Office, March 6, 1914.*

[2067 f-1]





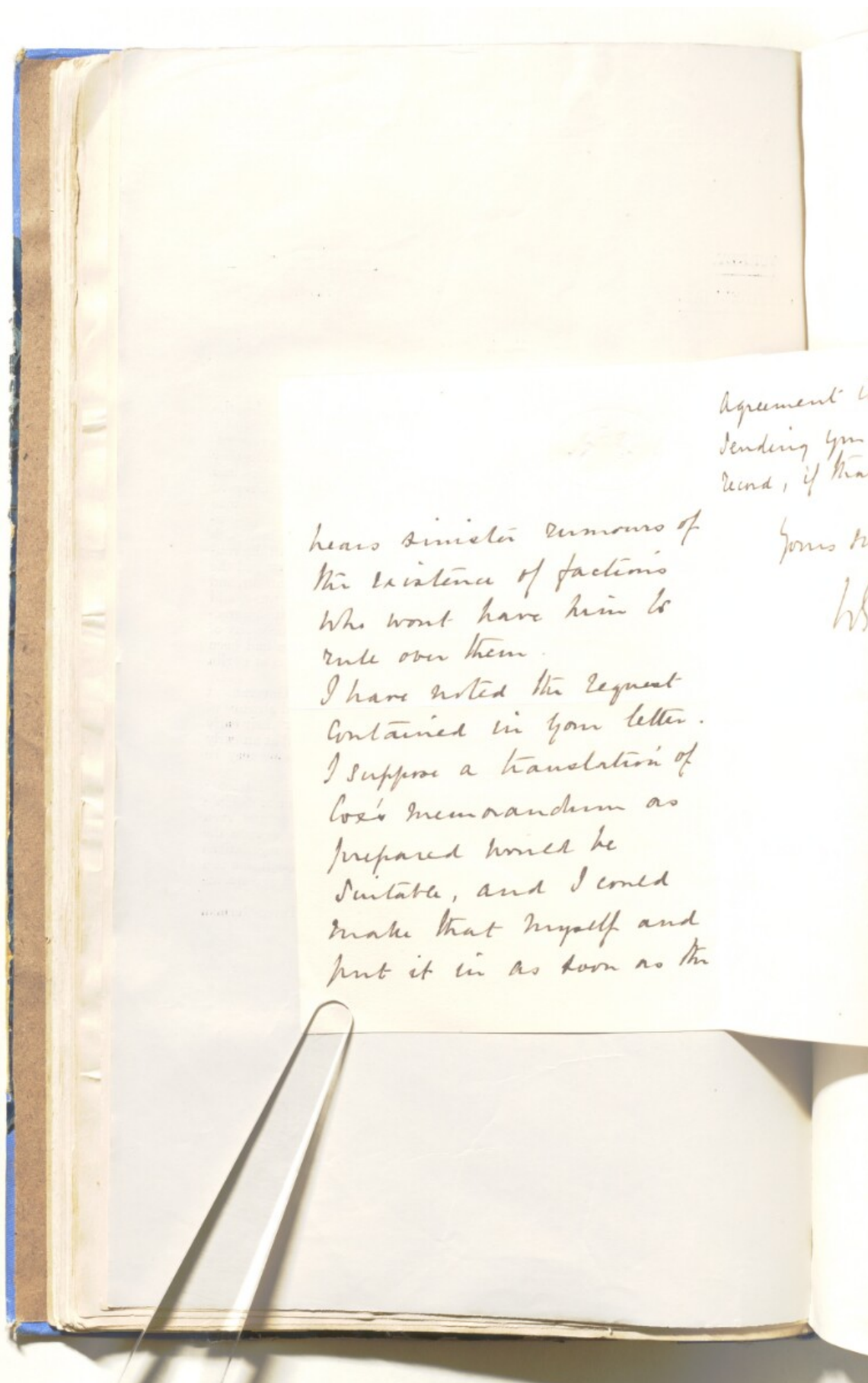


*Confidential*  
April 14<sup>th</sup> '14

My dear Kuzo,

Don't worry about the  
Succession question, I am sorry  
I troubled you about it only I  
haven't sure how long it  
would be before a reply came  
your letter, and wanted to  
be prepared for anything  
which might happen  
mean while.

Mr Shaikh is very well just  
now, and as you say it is  
still a case of Shaikh Jaber.  
But from time to time one



Agreement is  
pending your  
reply, if that

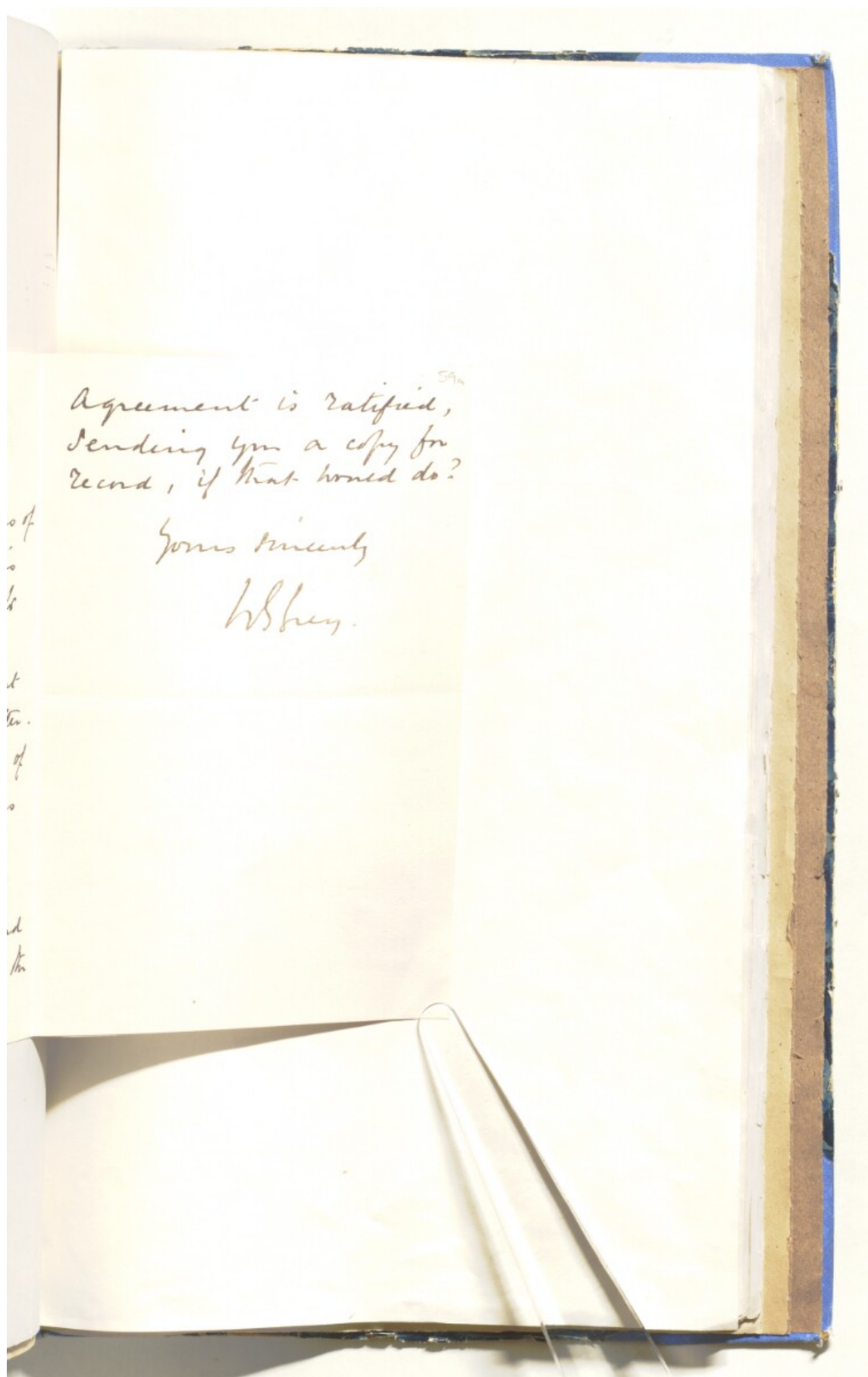
hears sinister rumours of  
the existence of factions  
who want have him to  
rule over them.

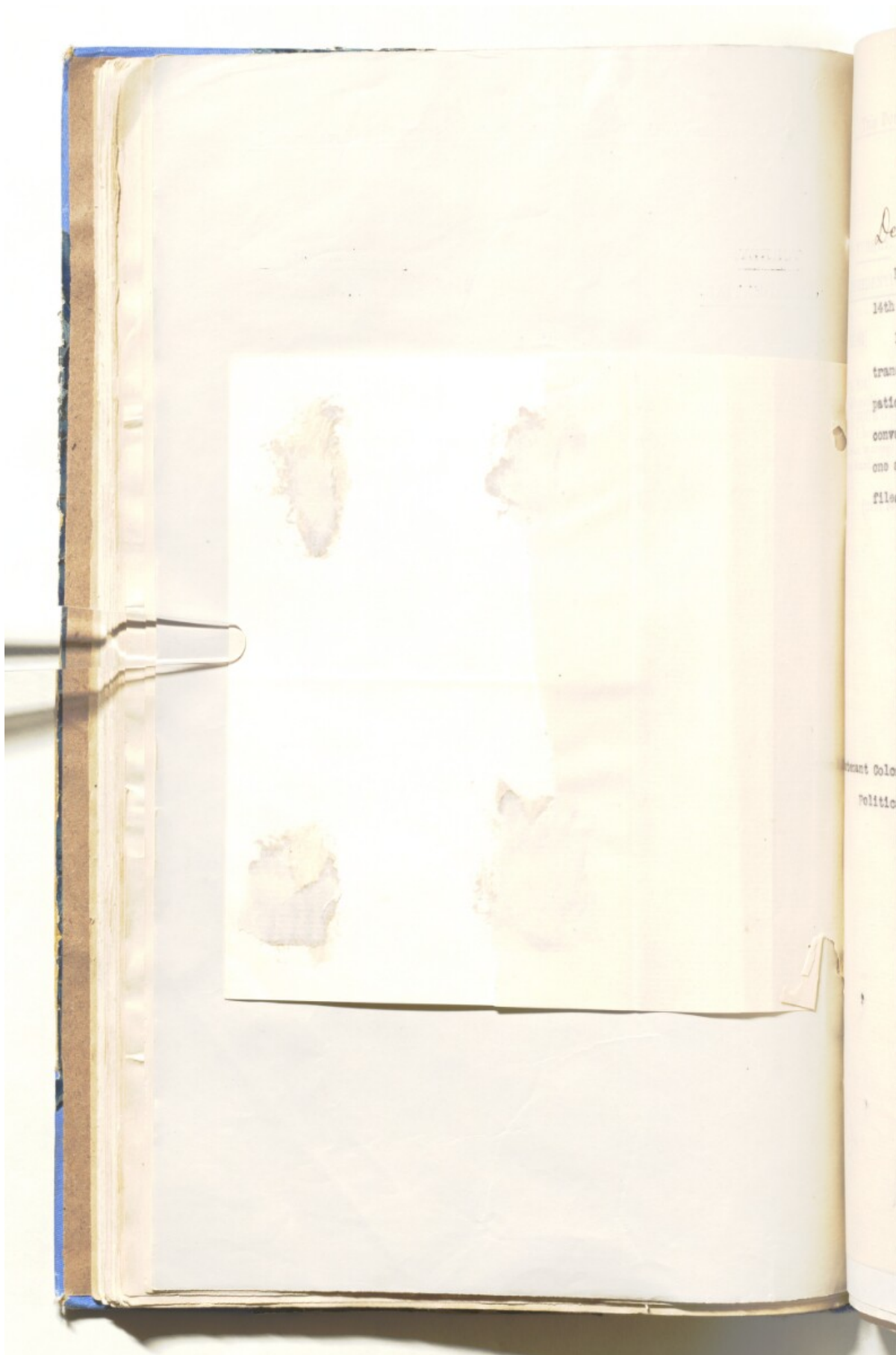
Yours &c

h/

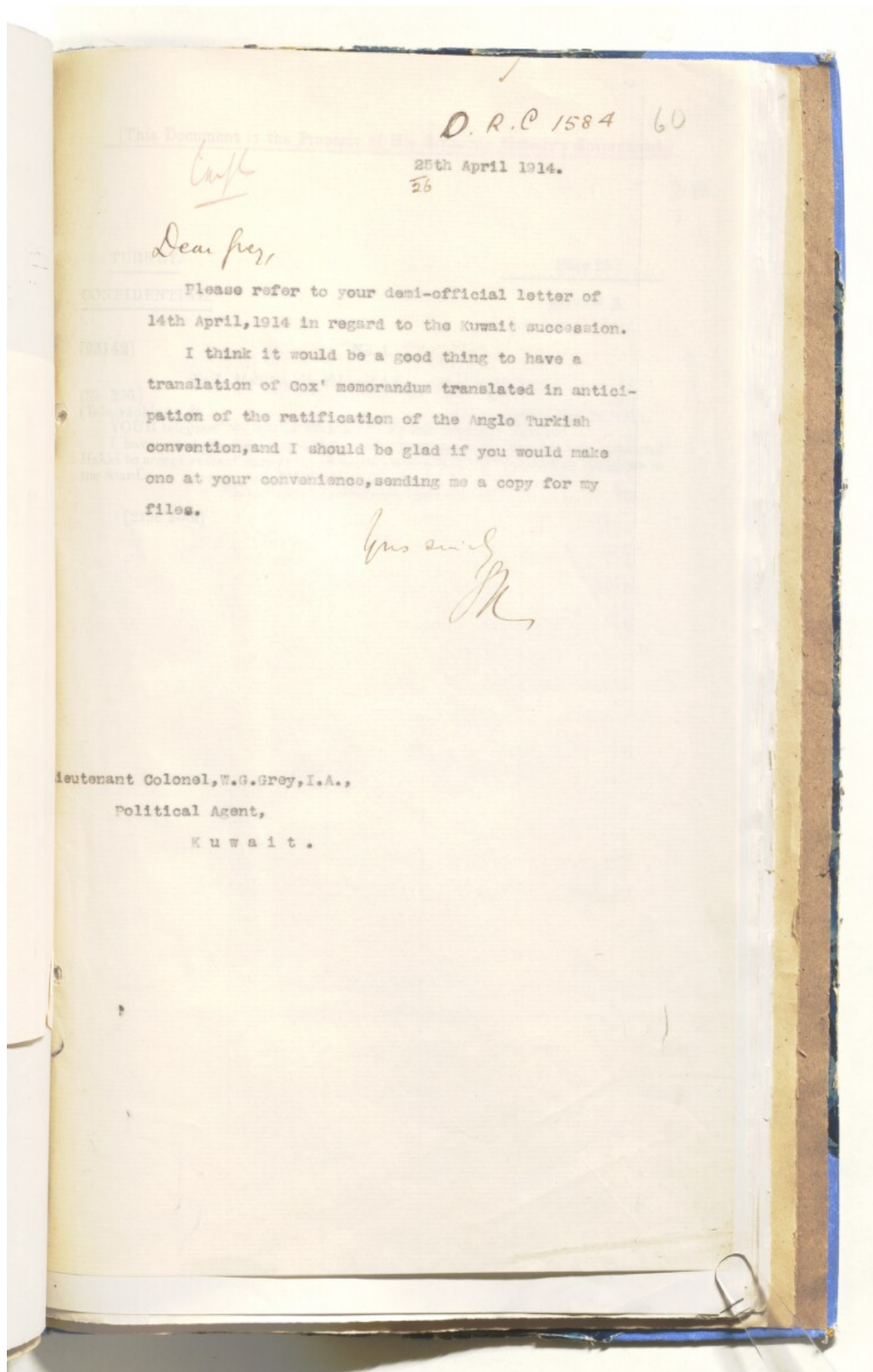
I have noted the request  
contained in your letter.  
I suppose a translation of  
Cox's memorandum as  
prepared would be  
suitable, and I could  
make that myself and  
put it in as soon as the

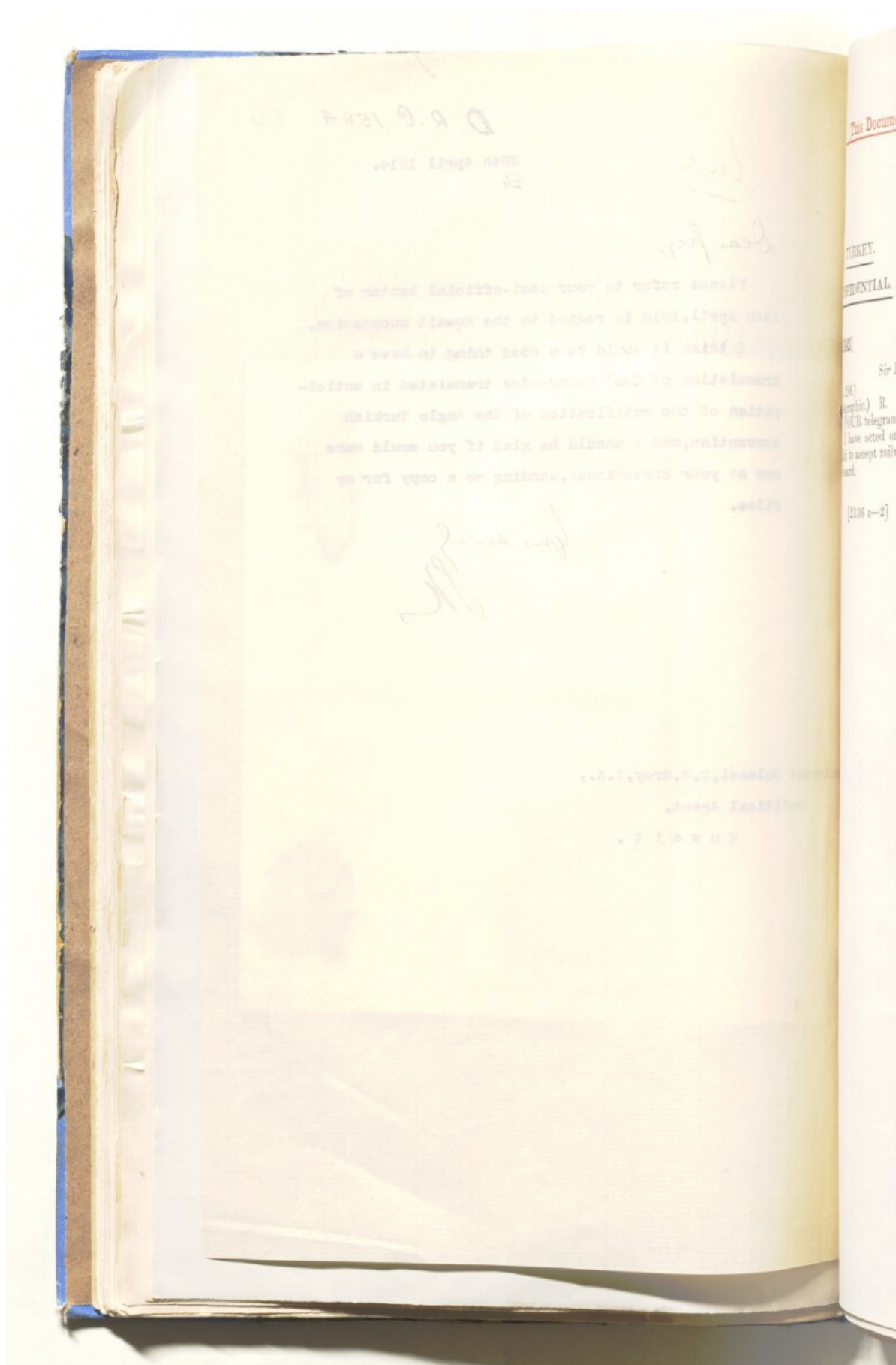
















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TURKEY.

[May 23.]

CONFIDENTIAL.

SECTION 2.

[23142]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received May 23.)*

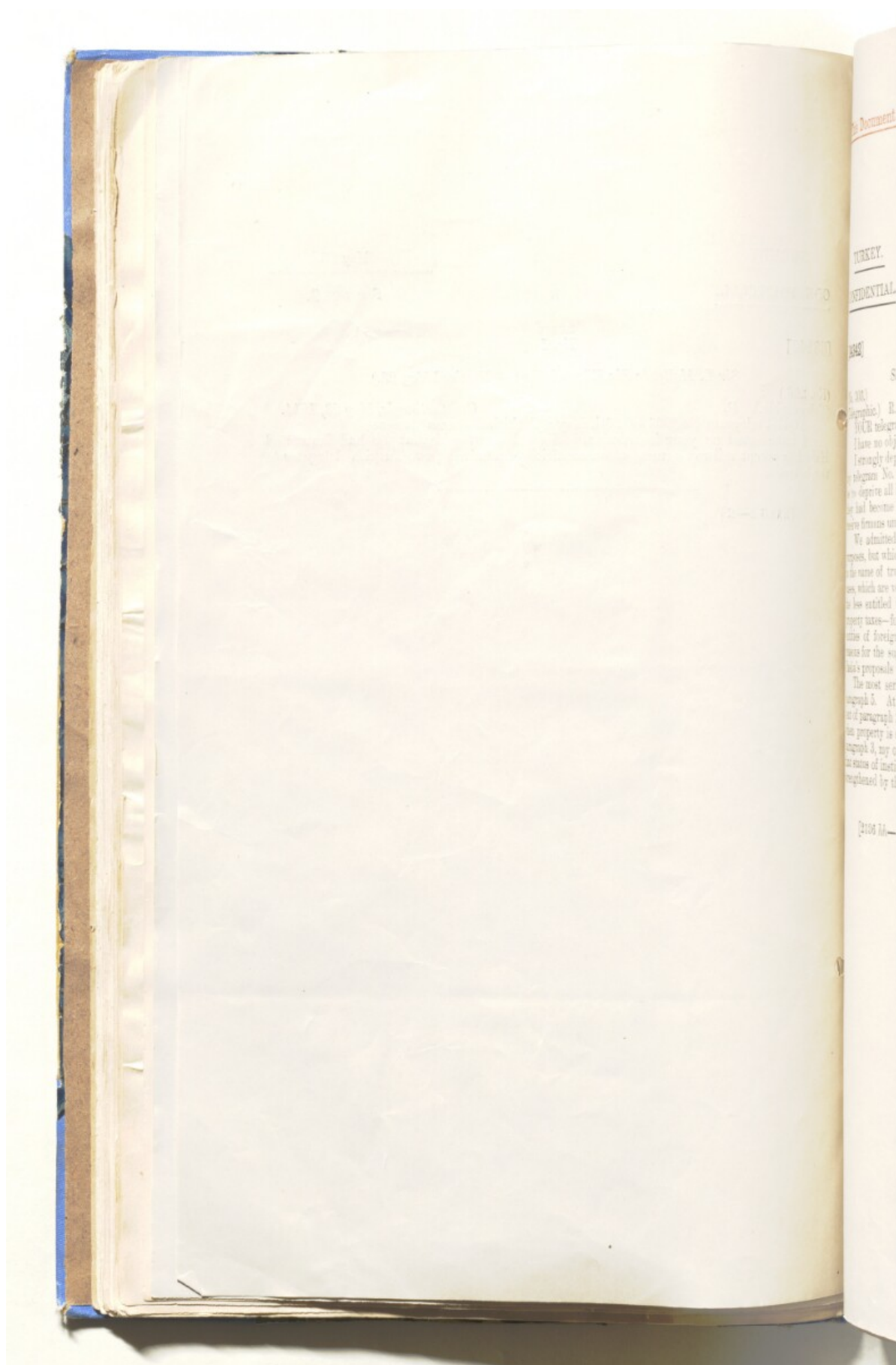
(No. 296.)

(Telegraphic.) R.

*Constantinople, May 23, 1914.*

YOUR telegram No. 231 of 20th May: Turkish Customs increase.  
I have acted on your instruction. His Highness said that he had instructed  
Hakki to accept railway agreement on condition of admitting two Turkish delegates to  
the board.

[2136 z—2]







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23/7

TURKEY.

[May 31.]

CONFIDENTIAL.

SECTION 3.

[24342]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received May 31.)*

(No. 303.)

(Telegraphic.) R.

*Constantinople, May 31, 1914.*

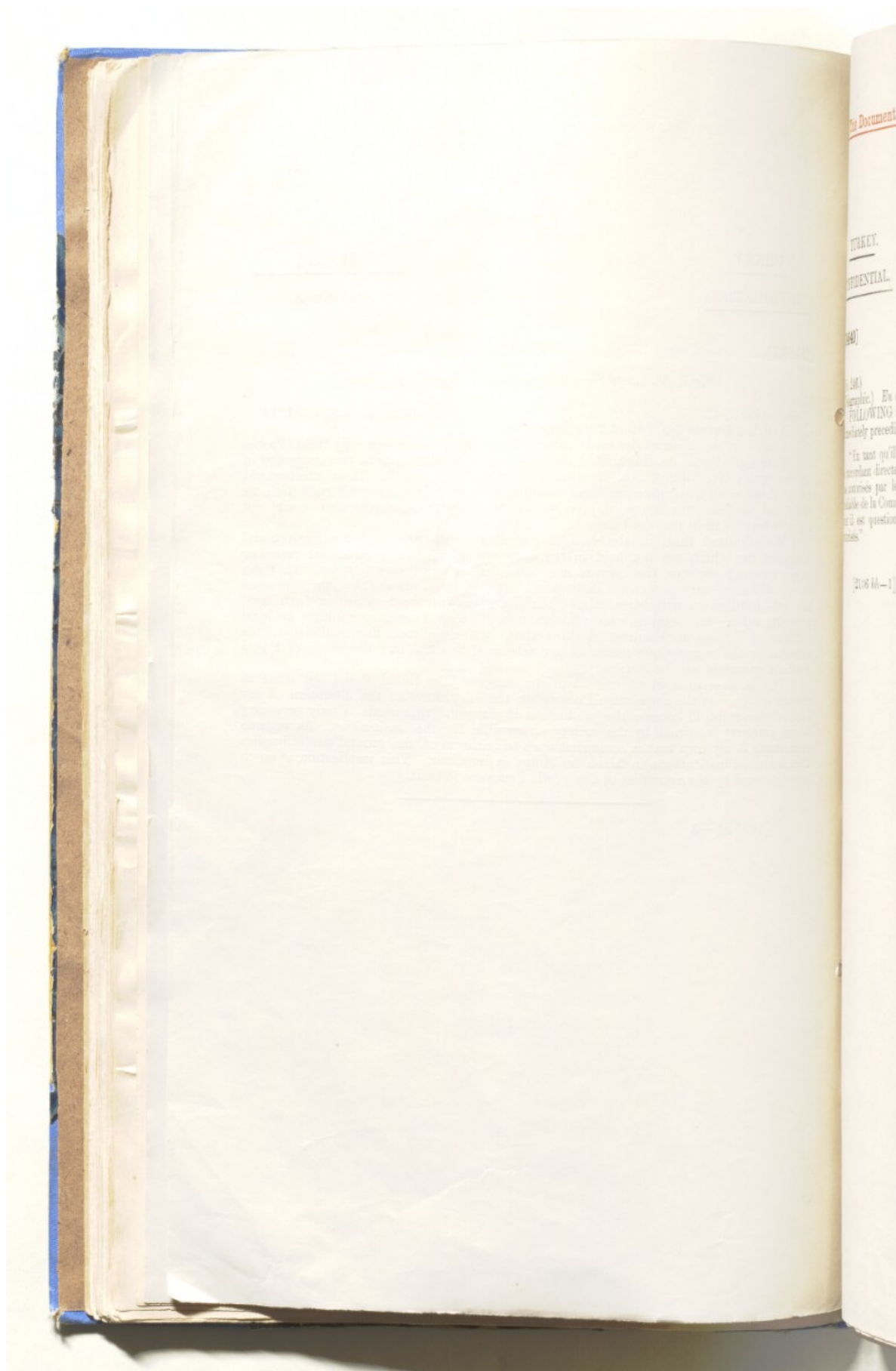
YOUR telegram No. 242 of 29th May.

I have no objection to the modifications in paragraph 1 proposed by Hakki Pasha. I strongly deprecate Hakki Pasha's proposals for modifications in text suggested in my telegram No. 293 of 21st May for paragraphs 2, 3, and 5. Their effect would be to deprive all institutions in hired buildings of all privileges until such time as they had become proprietors of premises occupied by them, because they would not receive firmans until they had done so.

We admitted that, in the case of premises which are used for institutional purposes, but which are not held in the corporate name of the societies interested or in the name of trustees, the owners are liable for all real property taxes. In these cases, which are very numerous, institutions are not given firmans, but they are none the less entitled to privileges other than [?group omitted: ?exemption from] real property taxes—for instance, exemption from customs duties and recognition as legal entities of foreign nationality. I think that, in the light of this explanation, the reasons for the suggestions made in my telegram No. 293 and the effect of Hakki Pasha's proposals will be obvious.

The most serious of the modifications suggested by Hakki Pasha are those in paragraph 5. At the same time I deprecate the suggestion of the alteration of my text of paragraph 2, because the production of plans and title deeds is only necessary when property is owned by the society responsible for the institutions. As regards paragraph 3, my own text is somewhat open to criticism on the ground that it implies that status of institutions in hired buildings is irregular. This implication is much strengthened by the retention of the words I propose to omit.

[2136 *hh*—3]







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73/7 IV

TURKEY.

[May 31.]

CONFIDENTIAL.

SECTION 1.

[24640]

No. 1.

*Sir Edward Grey to Sir L. Mallet.*

(No. 246.)

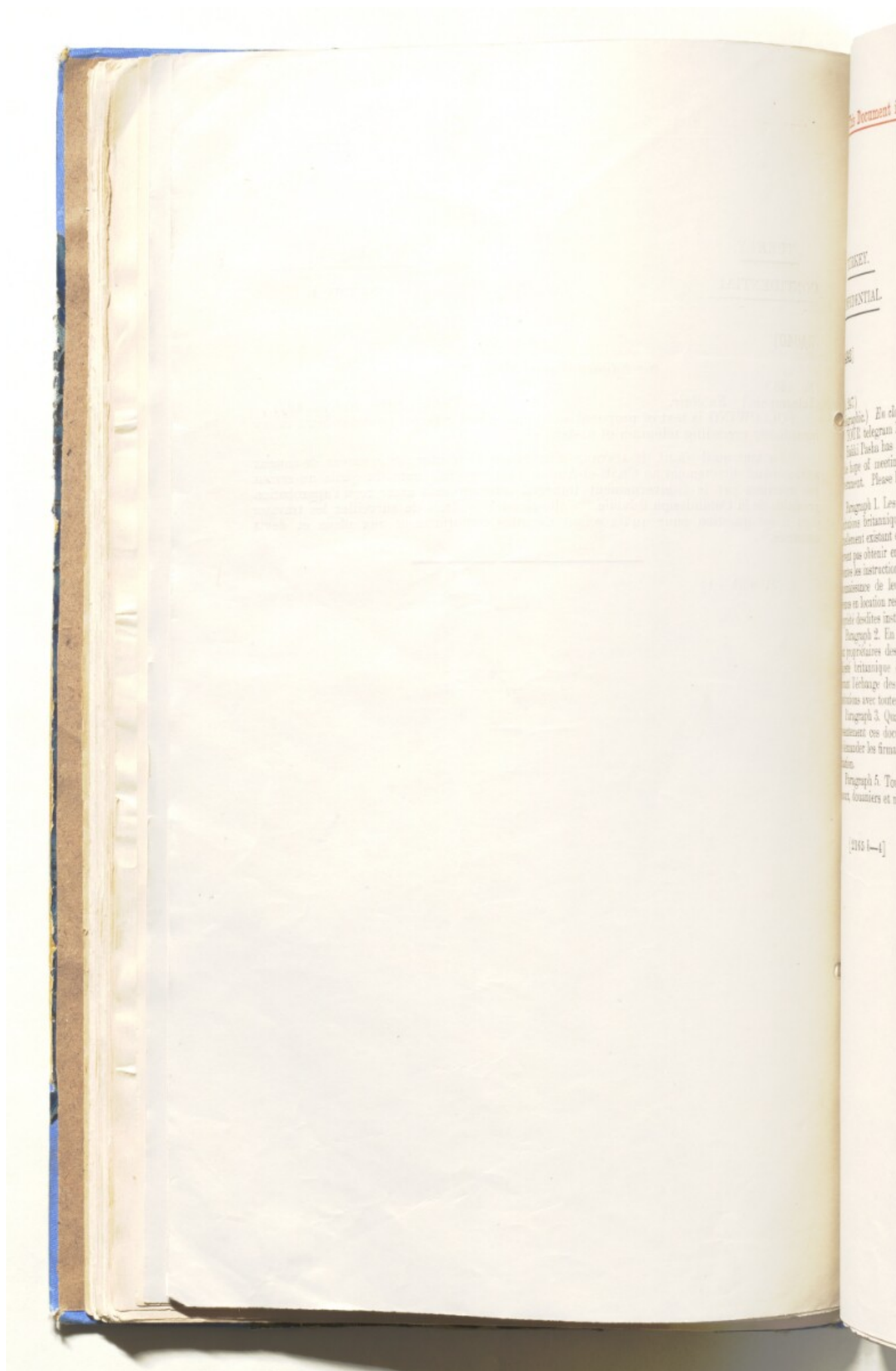
(Telegraphic.) *En clair.*

*Foreign Office, May 31, 1914.*

FOLLOWING is text of proposed additional clause referred to under No. 2 in my immediately preceding telegram of to-day :—

“ En tant qu'il s'agit de travaux d'irrigation à exécuter par le moyen de canaux se raccordant directement au Chatt-el-Arabe, il est toutefois entendu qu'ils ne seront pas autorisés par le Gouvernement Impérial ottoman sans avoir reçu l'approbation préalable de la Commission fluviale. Celle-ci aura le droit de surveiller les travaux dont il est question pour qu'ils soient exécutés conformément aux plans et devis autorisés.”

[2136 *hh*—1]







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TURKEY.

[June 2.]

CONFIDENTIAL.

SECTION 4.

[24342]

No 1.

*Sir Edward Grey to Sir L. Mallet.*

(No. 247.)

(Telegraphic.) *En clair.*

*Foreign Office, June 2, 1914.*

YOUR telegram No. 303 of 31st May: Anglo-Turkish convention.

Hakki Pasha has suggested a fresh text for paragraphs 1, 2, 3, and 5 of article 7 in the hope of meeting your Excellency's objections in a manner acceptable to his Government. Please let me have your views.

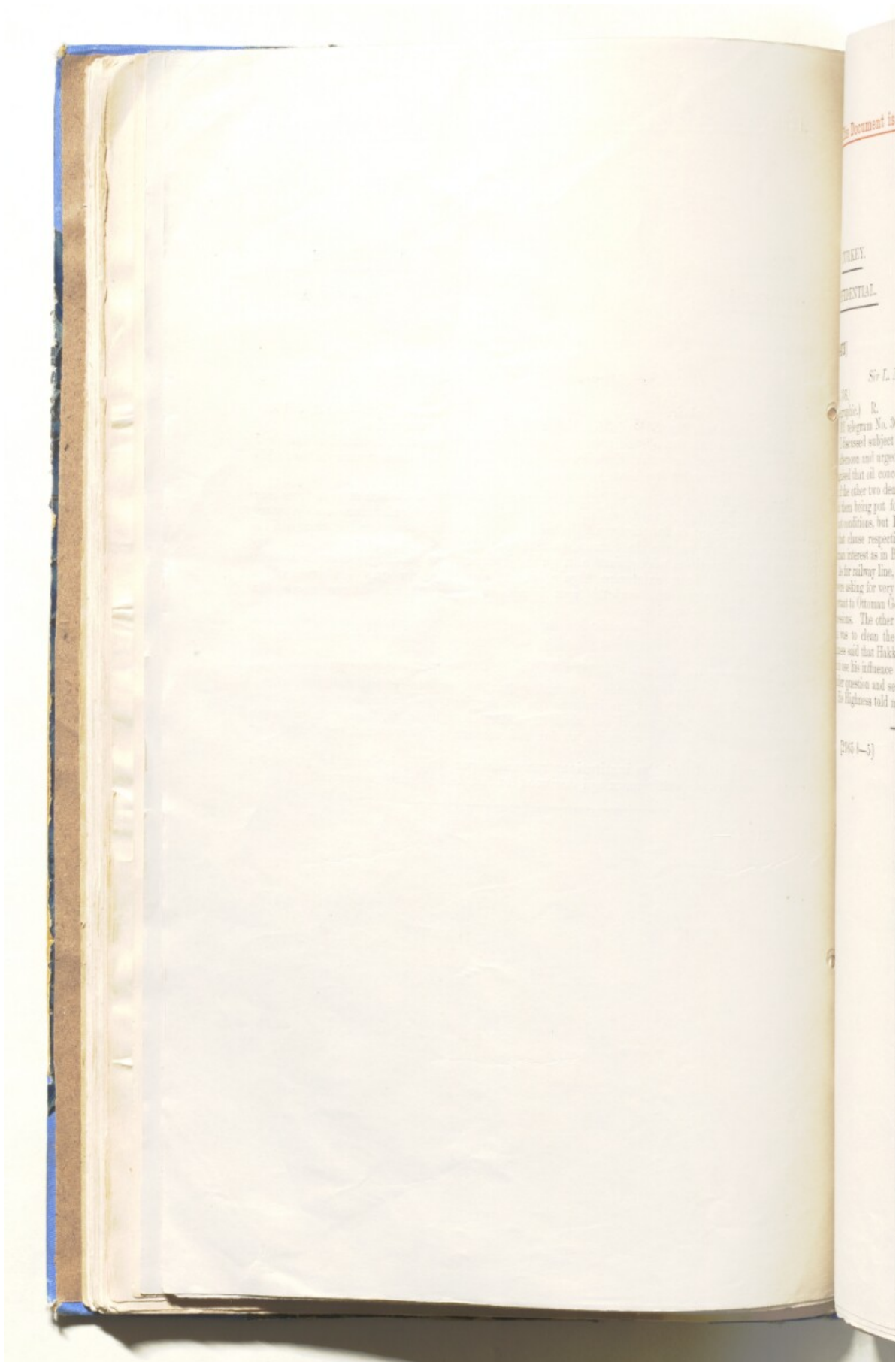
Paragraph 1. Les firmans réglementaires seront délivrés d'office et sans frais aux institutions britanniques tant scolaires qu'hospitalières, de bienfaisance ou de culte, actuellement existant et fonctionnant de fait. Pour les institutions en location, qui ne peuvent pas obtenir encore de firman, la Sublime Porte donnera aux autorités compétentes les instructions nécessaires afin qu'ils jouissent des privilèges découlant de la reconnaissance de leur existence légale, étant bien entendu que les immeubles détenus en location restent assujettis aux impôts en tant qu'ils ne sont pas devenus la propriété desdites institutions.

Paragraph 2. En vue d'obtenir les firmans nécessaires pour les institutions qui sont propriétaires des immeubles où elles se trouvent établies, l'Ambassade de Sa Majesté britannique communiquera au Gouvernement Impérial, dans les six mois suivant l'échange des ratifications de la présente convention, une liste détaillée de ces institutions avec toutes les données d'usage, y compris les plans et titres de propriété.

Paragraph 3. Quant aux institutions qui ne seraient pas en mesure de produire présentement ces documents, il est réservé à l'Ambassade de Sa Majesté britannique de demander les firmans en question au fur et à mesure qu'elles auront régularisé leur situation.

Paragraph 5. Toutes les institutions reconnues par firman jouiront des privilèges fiscaux, douaniers et municipaux qui dérivent du fait de leur reconnaissance.

[2165 b—4]







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TURKEY.

[June 2.]

CONFIDENTIAL.

SECTION 5.

[24473]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received June 2.)*

(No. 308.)

(Telegraphic.) R.

*Constantinople, June 1, 1914.*

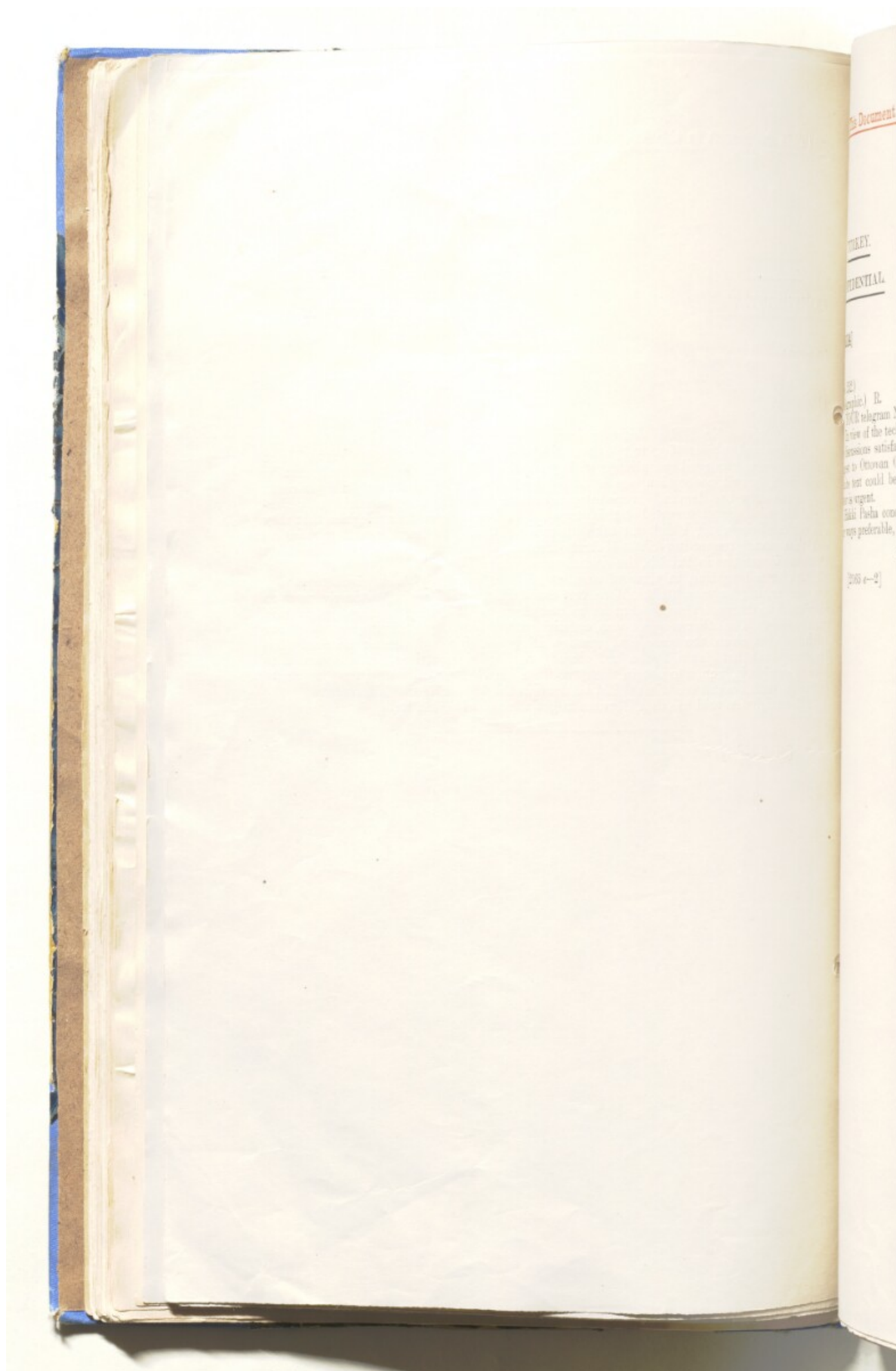
MY telegram No. 306 of this morning.

I discussed subject of your telegram No. 245 of 31st May with the Grand Vizier this afternoon and urged compliance with your requests. His Highness said that he recognised that oil concession was an original condition of your consent to 4 per cent., but, if the other two demands were intended as further conditions, he could not understand them being put forward at this stage. I gathered from your telegram that they are not conditions, but I did not take up this point, and confined myself to pointing out that clause respecting Shatt-el-Arab irrigation was proposed quite as much in Ottoman interest as in British, the commission being Ottoman.

As for railway line, in view of number of lines which had been given to others, we were asking for very little. Moreover, construction of "feeders" to the river was as important to Ottoman Government as to ourselves, as they were partners in riverain concessions. The other request was conditional on lines ever being granted. Your wish was to clean the slate and remove all possibilities of further friction. His Highness said that Hakki Pasha had already received instructions, but I appealed to him to use his influence to obtain these modifications. He finally said that he would consider question and see what could be done in the way of finding a formula.

His Highness told me that German negotiations had begun well.

[2165 b—5]







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73  
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TURKEY.

[June 5.]

CONFIDENTIAL.

SECTION 2.

[25214]

No. 1.

*Sir Eduard Grey to Sir L. Mallet.*

(No. 252.)

(Telegraphic.) R.

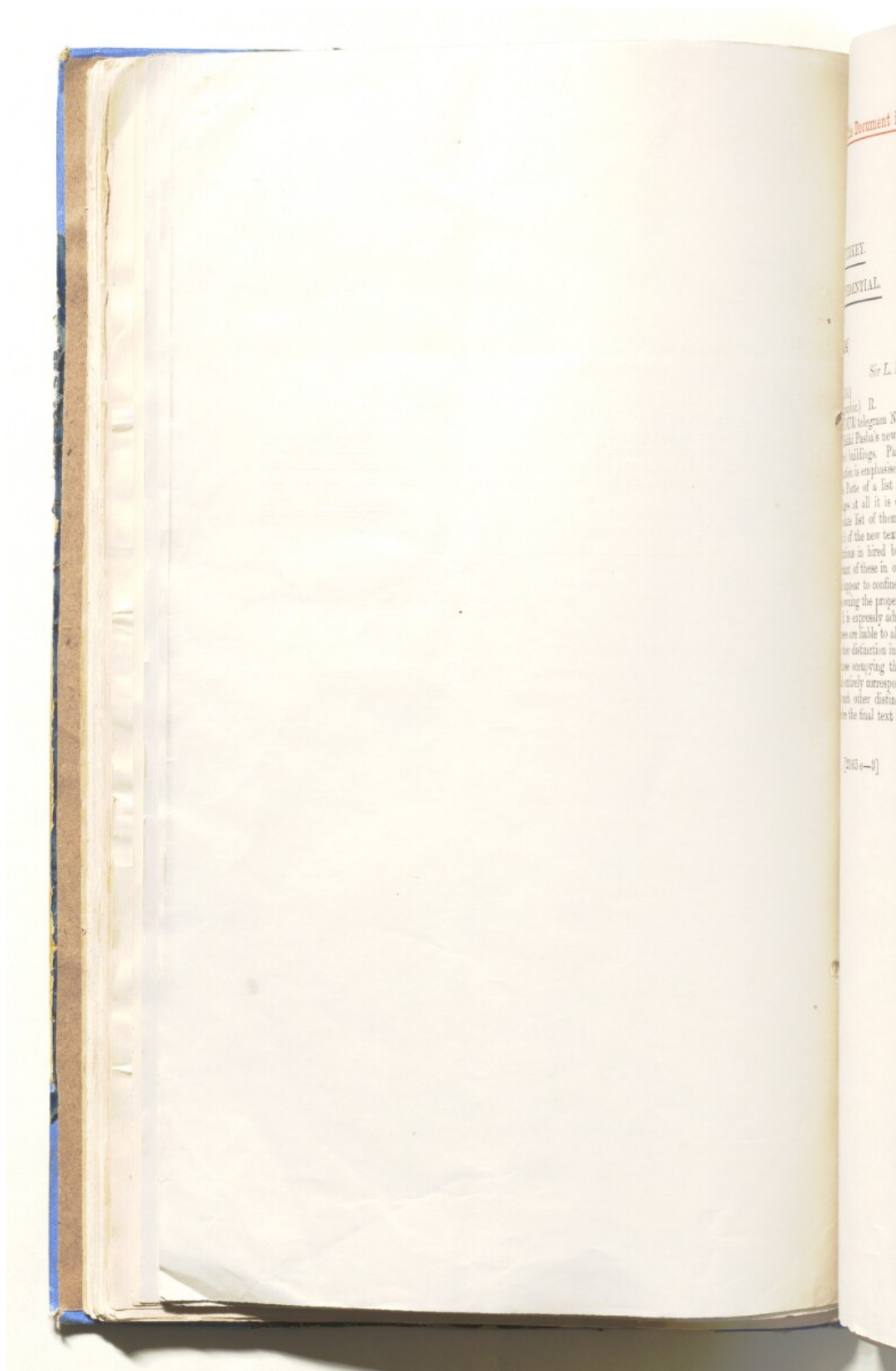
*Foreign Office, June 5, 1914.*

YOUR telegram No. 314 of 5th June: British missions in Turkey.

In view of the technical complications of this question I find it difficult to conduct the discussions satisfactorily here, and I should be glad if your Excellency would suggest to Ottoman Government that negotiations be carried on at Constantinople. Definite text could be submitted to me as soon as it has been agreed upon. The matter is urgent.

Hakki Pasha concurs that above procedure would be most expeditious and in other ways preferable, and it was adopted in regard to French missions.

[2165 e-2]







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TURKEY.

[June 5.]

CONFIDENTIAL.

SECTION 3.

[25214]

No. 1.

*Sir L. Mallet to Sir Edvard Grey.—(Received June 5.)*

(No. 314.)

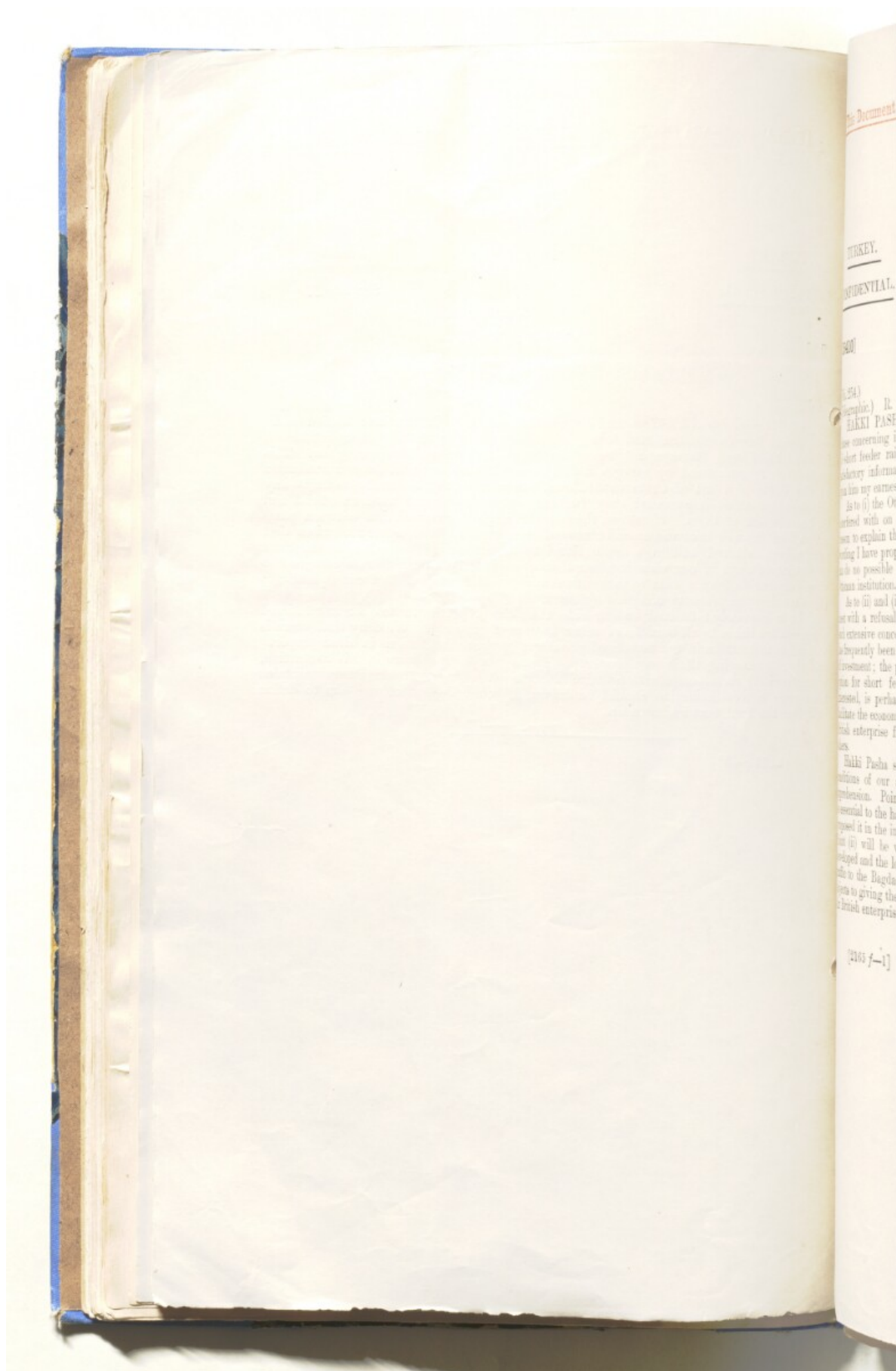
(Telegraphic.) R.

*Constantinople, June 5, 1914.*

YOUR telegram No. 247 of 2nd June: Anglo-Turkish Convention: Institutions. Hakki Pasha's new text still fails to meet the case of numerous British institutions in hired buildings. Paragraph 3 again implies that their position is irregular. This implication is emphasised by paragraph 2, which makes no provision for communication to the Porte of a list of these institutions, whereas if they are really to enjoy any privileges at all it is essential that Turkish authorities should have an official and up-to-date list of them. Moreover, there is an implicit contradiction between paragraph 5 of the new text and second clause of paragraph 1. The latter recognises that institutions in hired buildings are entitled to certain privileges. One of the most important of these in our view is exemption from customs duties, whereas paragraph 5 would appear to confine this to institutions recognised by firman, and consequently to those owning the property occupied by them.

It is expressly admitted on our side that the properties rented for institutional purposes are liable to all burdens of other owners of property. We deny that there is any other distinction in the matter of privileges between institutions in hired property and those occupying their own property. There is nothing obscure in this contention, which entirely corresponds with practice hitherto followed. If Hakki Pasha maintains that such other distinction should be drawn, I would suggest asking him to define it before the final text is drawn up.

[2165 c—3]







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TURKEY.

[June 6.]

CONFIDENTIAL.

SECTION 1.

[25410]

No. 1.

*Sir Edward Grey to Sir L. Mallet.*

(No. 254.)

(Telegraphic.) R.

*Foreign Office, June 6, 1914.*

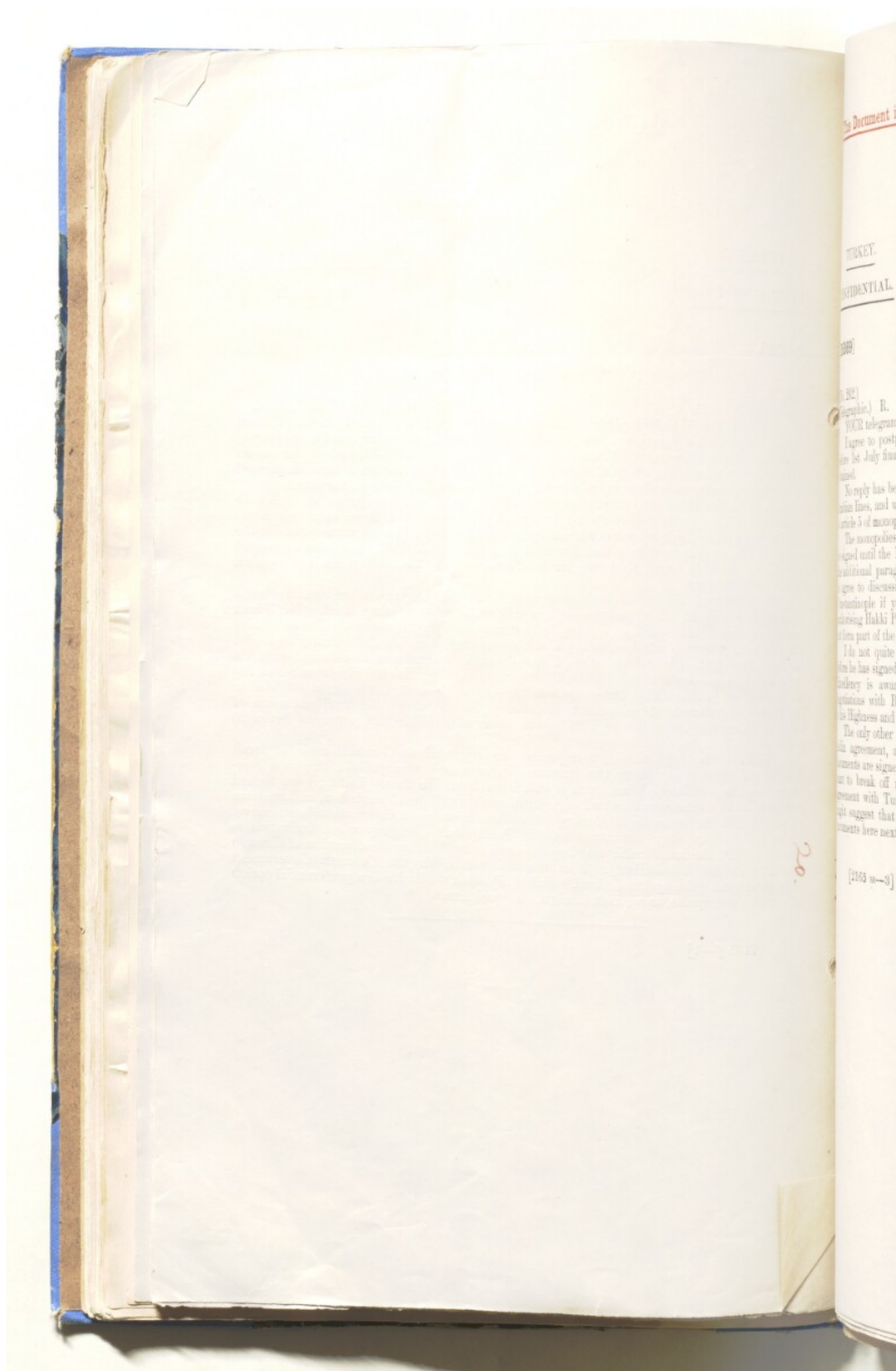
HAKKI PASHA has given me unfavourable replies about (i) the additional clause concerning irrigation works which might affect navigation on Shatt-el-Arab, (ii) short feeder railways, (iii) Arabian lines south of latitude 31, and (iv) he has no satisfactory information about Mesopotamian oil question, though I have impressed upon him my earnest wish to conclude all negotiations by 1st July at the latest.

As to (i) the Ottoman Government appear to admit that navigation shall not be interfered with on Shatt-el-Arab by irrigation works, and I have been given no reason to explain their reluctance to embody this admission in an agreement in the wording I have proposed to which I attach importance. The clause I have suggested can do no possible harm to Ottoman interests, as the Commission itself is to be an Ottoman institution.

As to (ii) and (iii) I am a little surprised that His Majesty's Government should meet with a refusal in regard to such a moderate request, when Turkey has given such extensive concessions for railways to French and German groups. The complaint has frequently been made by Turkey that British capital avoids that country as a field of investment; the present attitude of the Turkish Government, in refusing even an option for short feeders to an Ottoman company in which British subjects are interested, is perhaps the true answer to the above complaint. Our wish is to facilitate the economic development of Turkey, and to avoid the total exclusion of British enterprise from the regions where concessions have not yet been given to others.

Hakki Pasha says that our requests are regarded at Constantinople as fresh conditions of our assent to the customs increase and monopolies; this is a misapprehension. Point (iv) has been a condition from the first. Point (i) we regard as essential to the harmonious and successful working of the Commission, and we have proposed it in the interests of Turkey as much as in those of international commerce. Point (ii) will be very important to the Navigation Company when irrigation is developed and the local traffic may become some substitute for the diversion of through traffic to the Bagdad Railway. I cannot understand why the Ottoman Government objects to giving the option desired. Point (iii), what we desire is a preferential option for British enterprise, as against foreign, on equal terms.

[2165 f-1]







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TURKEY.

[June 12]

CONFIDENTIAL.

SECTION 3.

[26369]

No. 1.

*Sir Edward Grey to Sir L. Mallet.*

(No. 262.)

(Telegraphic.) R.

*Foreign Office, June 12, 1914.*

YOUR telegram No. 334 of 11th June: Mesopotamian oil concession.

I agree to postponement for a few days as you suggest, but it is desirable that before 1st July final agreement should be signed, and not merely favourable reply obtained.

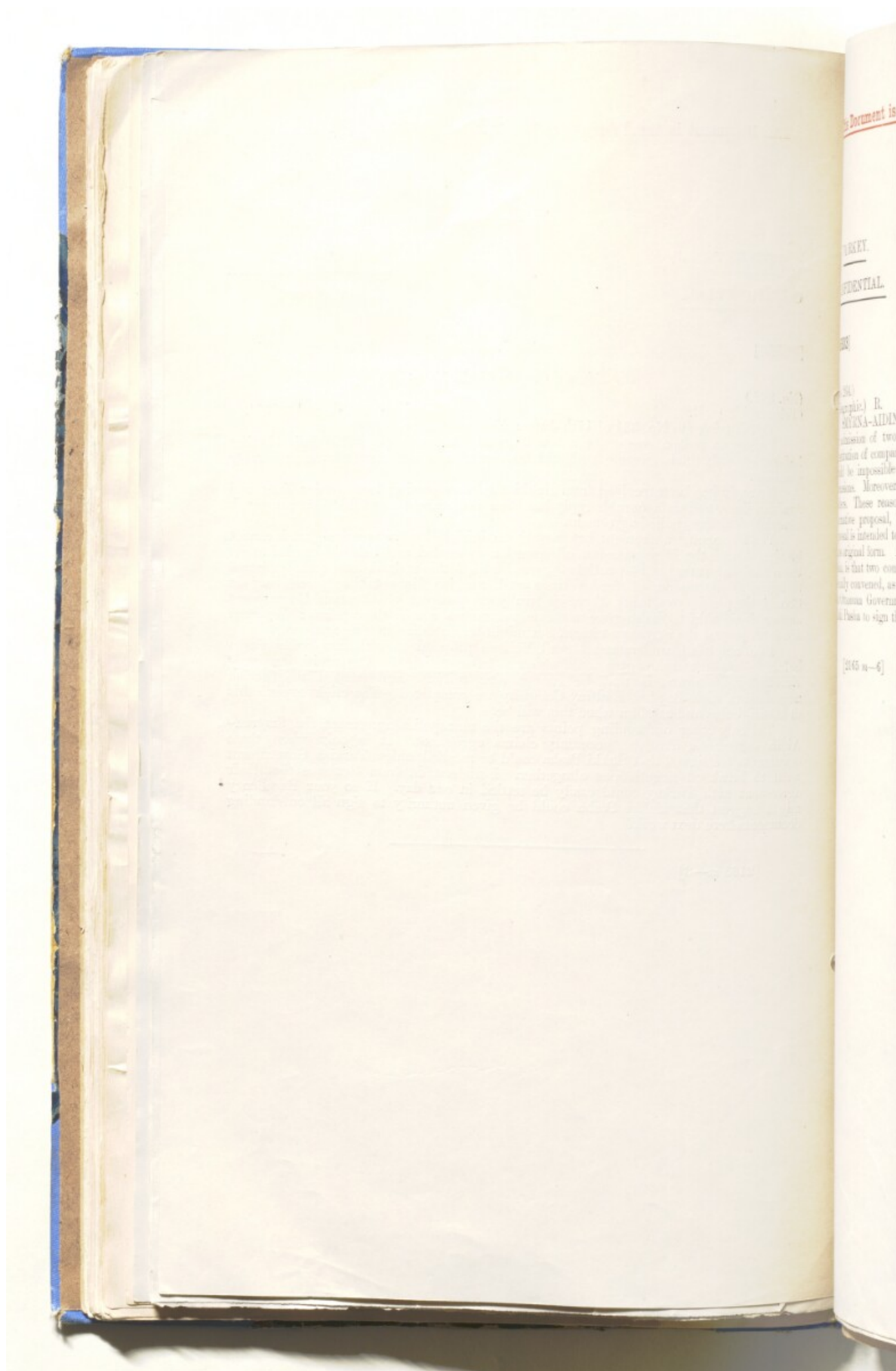
No reply has been received from Hakki Pasha respecting local feeder lines and Arabian lines, and unfavourable reply has been made about suggested new paragraph to article 5 of monopolies agreement.

The monopolies agreement has now been initialled *ad referendum*, but it cannot be signed until the Mesopotamian oil question is settled, and I should be glad to get the additional paragraph to article 5 agreed to. If this is done, I am quite prepared to agree to discussion of feeder lines and Arabian lines taking place later at Constantinople if you think there is really no prospect of Ottoman Government authorising Hakki Pasha to give us some assurances now on these points: they need not form part of the agreement itself, but might be embodied in a separate note.

I do not quite understand Grand Vizier's proposal to withdraw Hakki Pasha before he has signed the agreements which he has negotiated. The position, as your Excellency is aware, is that he cannot sign railways agreement until Turkish negotiations with Bagdad Railway Company are completed. You might explain this to his Highness and ask him when this will be.

The only other outstanding points are the monopolies agreement, the Smyrna-Aidin agreement, and the pecuniary claims agreement. It is only when these documents are signed that Hakki Pasha could be recalled, unless Turkish Government want to break off negotiations altogether. I understand from Germans that their agreement with Turkey could easily be settled in one day. If so your Excellency might suggest that Hakki Pasha could be given authority to sign all outstanding documents here next week.

[2165 m—3]







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TURKEY.

CONFIDENTIAL.

[June 12.]

SECTION 6.

[26303]

No. 1.

*Sir Edward Grey to Sir L. Mallet.*

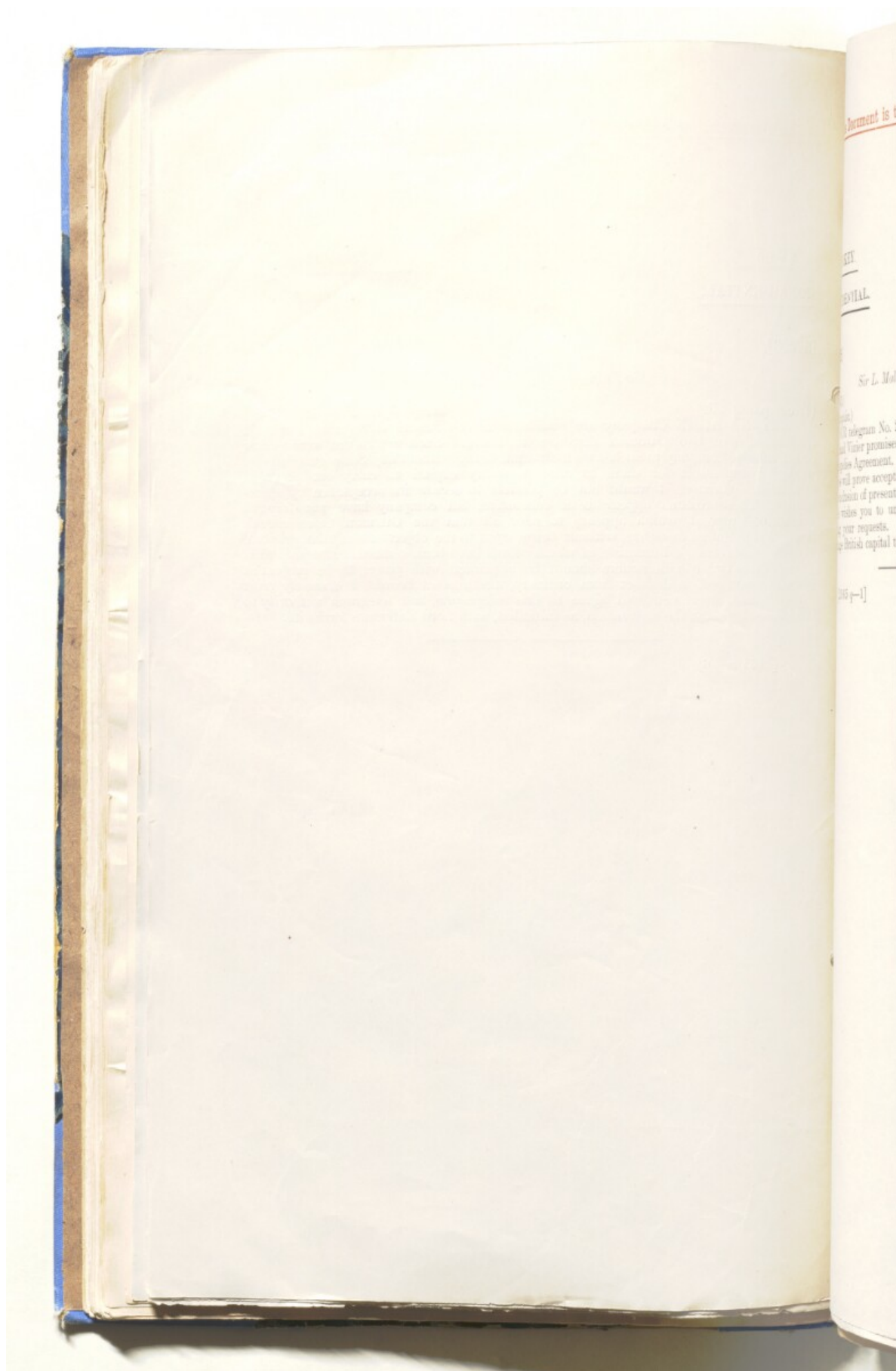
(No. 264.)

(Telegraphic.) R.

*Foreign Office, June 12, 1911.*

SMYRNA-AIDIN Company are unable to meet Ottoman Government's request for admission of two Ottoman directors to board. Such a measure would alter constitution of company to such an extent that, being without any State guarantee, it would be impossible for them to raise necessary capital to carry out proposed extensions. Moreover it would not be possible to secure its acceptance by shareholders. These reasons appear to us conclusive, but company have put forward alternative proposal, which appears to offer all that the Ottoman Government's proposal is intended to secure, without being open to the objections of that proposal in its original form. Alternative, of which details have been communicated to Hakki Pasha, is that two commissioners should be appointed with power to be present at specially convened, as distinct from ordinary, meetings of board. I earnestly trust that Ottoman Government will agree to this suggestion, and telegraph authority to Hakki Pasha to sign the convention, as initialled, with Lord Rathmore forthwith.

[2165 m-6]







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TURKEY.

June 16.]

CONFIDENTIAL.

SECTION 1.

[27125]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received June 16)*

(No. 345.)

(Telegraphic.)

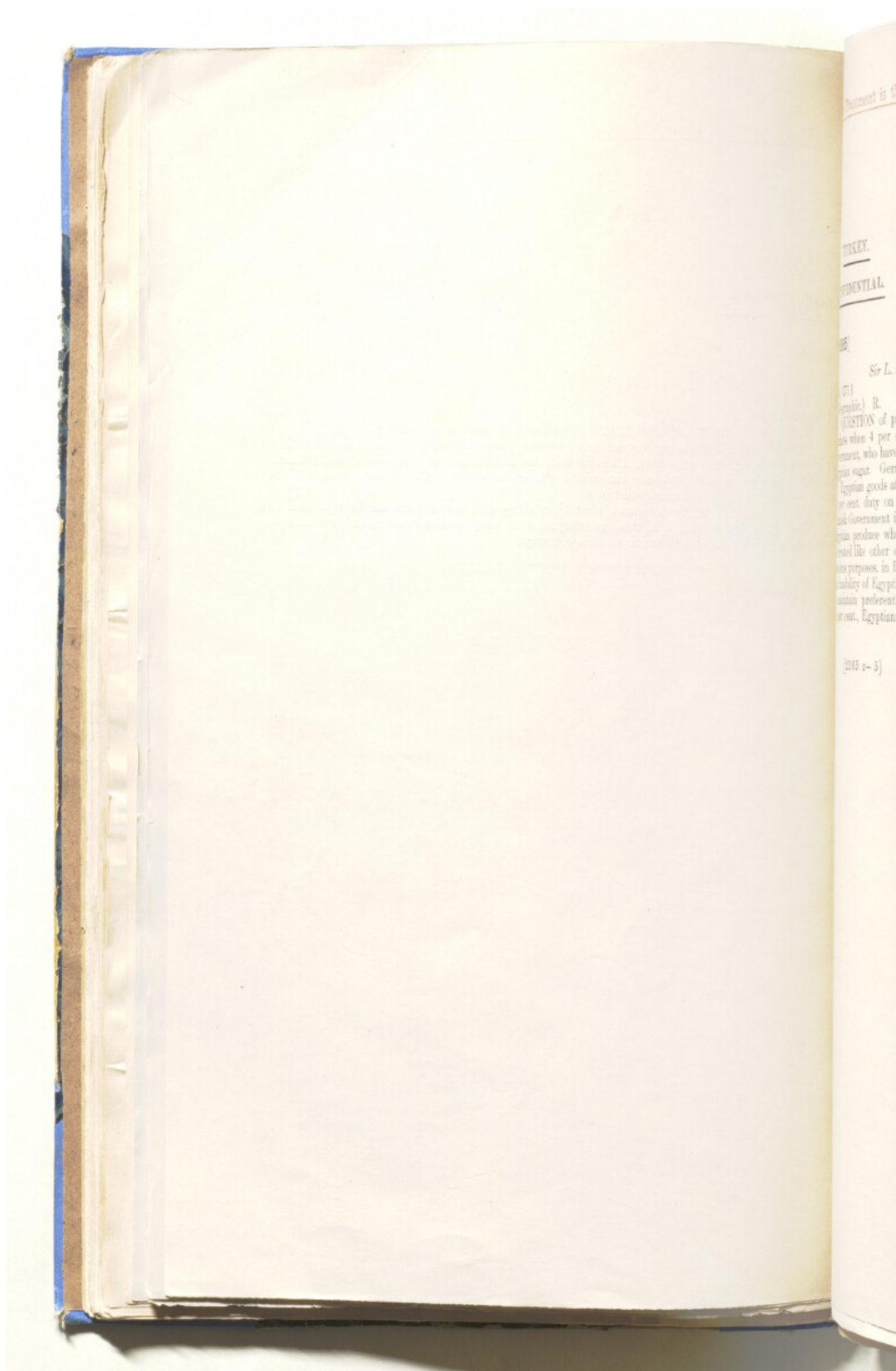
*Constantinople, June 16, 1914.*

YOUR telegram No. 262 of 12th June: Negotiations with Turkey.

Grand Vizier promises to try and meet your views in regard to additional article of Monopolies Agreement. Hakki Pasha will be instructed to propose formula which he hopes will prove acceptable. He would prefer to discuss the other two questions after conclusion of present negotiations.

He wishes you to understand that this does not mean that he is opposed to granting your requests. On the contrary, he is very anxious to meet you and to encourage British capital to come to this country.

[2165 q—1]







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TURKEY.

[June 23.]

CONFIDENTIAL.

SECTION 5.

[28365]

No. 1.

*Sir L. Mallet to Sir Edcard Grey.—(Received June 23.)*

(No. 375.)

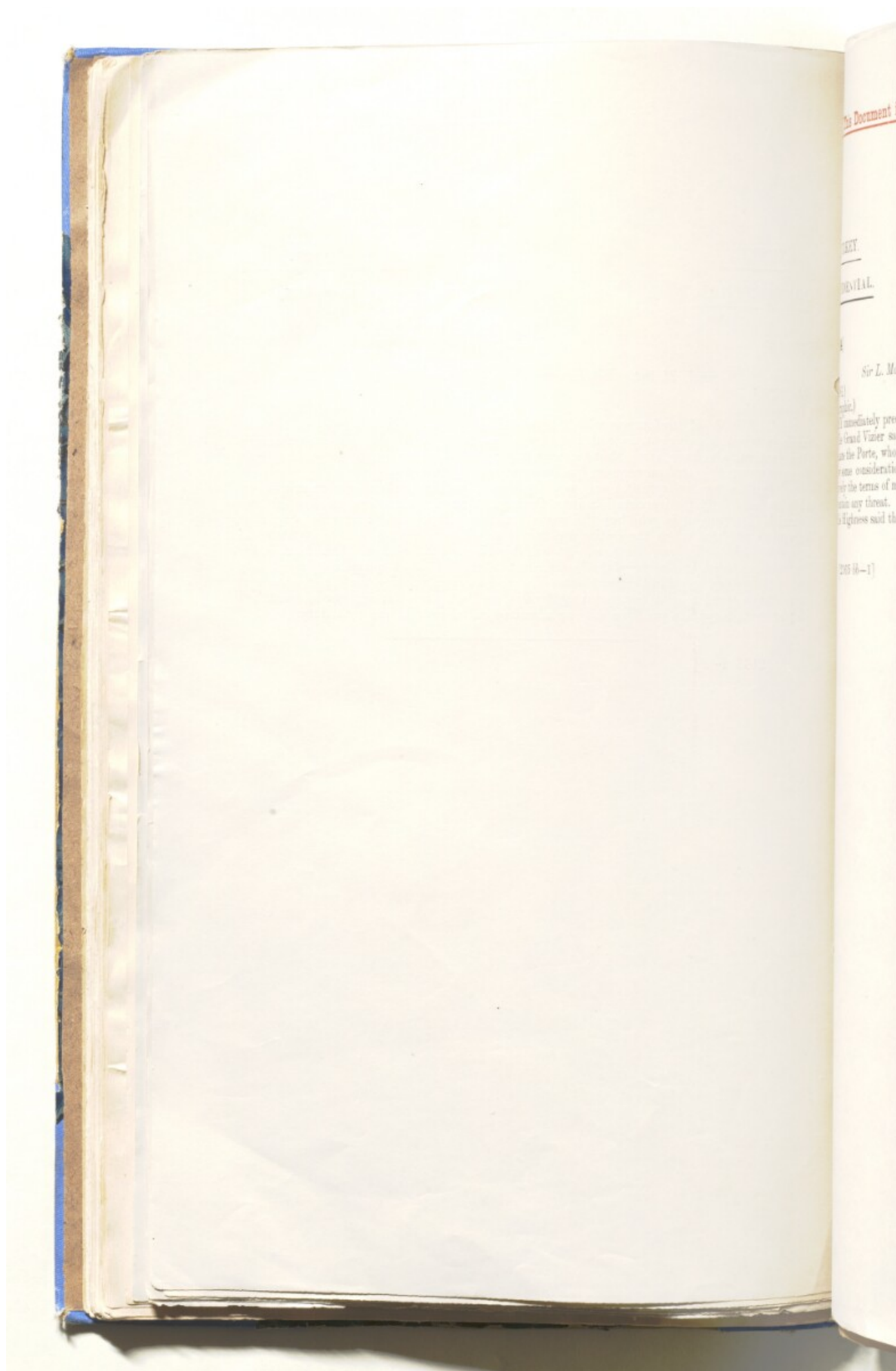
(Telegraphic.) R.

*Constantinople, June 23, 1914.*

QUESTION of preference which goods of Egyptian origin will enjoy in Turkish markets when 4 per cent. is put into force has been indirectly raised by German Government, who have asked that German sugar should be put on the same footing as Egyptian sugar. German request has been refused by Porte.

Egyptian goods at present only pay 8 per cent., whilst goods of foreign origin pay 11 per cent. duty on importation into Turkey. Question therefore now before the Turkish Government is whether the same ratio should be maintained in favour of Egyptian produce when the duties are raised to 15 per cent., or that Egypt should be treated like other countries and come under 15 per cent régime. Crawford is, for customs purposes, in favour of the latter course, but, in view of question of suzerainty and inability of Egyptian Government to increase Egyptian duties, Porte seems inclined to maintain preferential treatment and ratio, so that, when foreign goods are taxed 15 per cent., Egyptian produce may be admitted on basis of 11 per cent. duty.

[2165 z- 5]







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TURKEY.

June 25.]

CONFIDENTIAL.

SECTION 1.

[28704]

No. 1.

*Sir L. Mallet to Sir Edward Grey — (Received June 25.)*

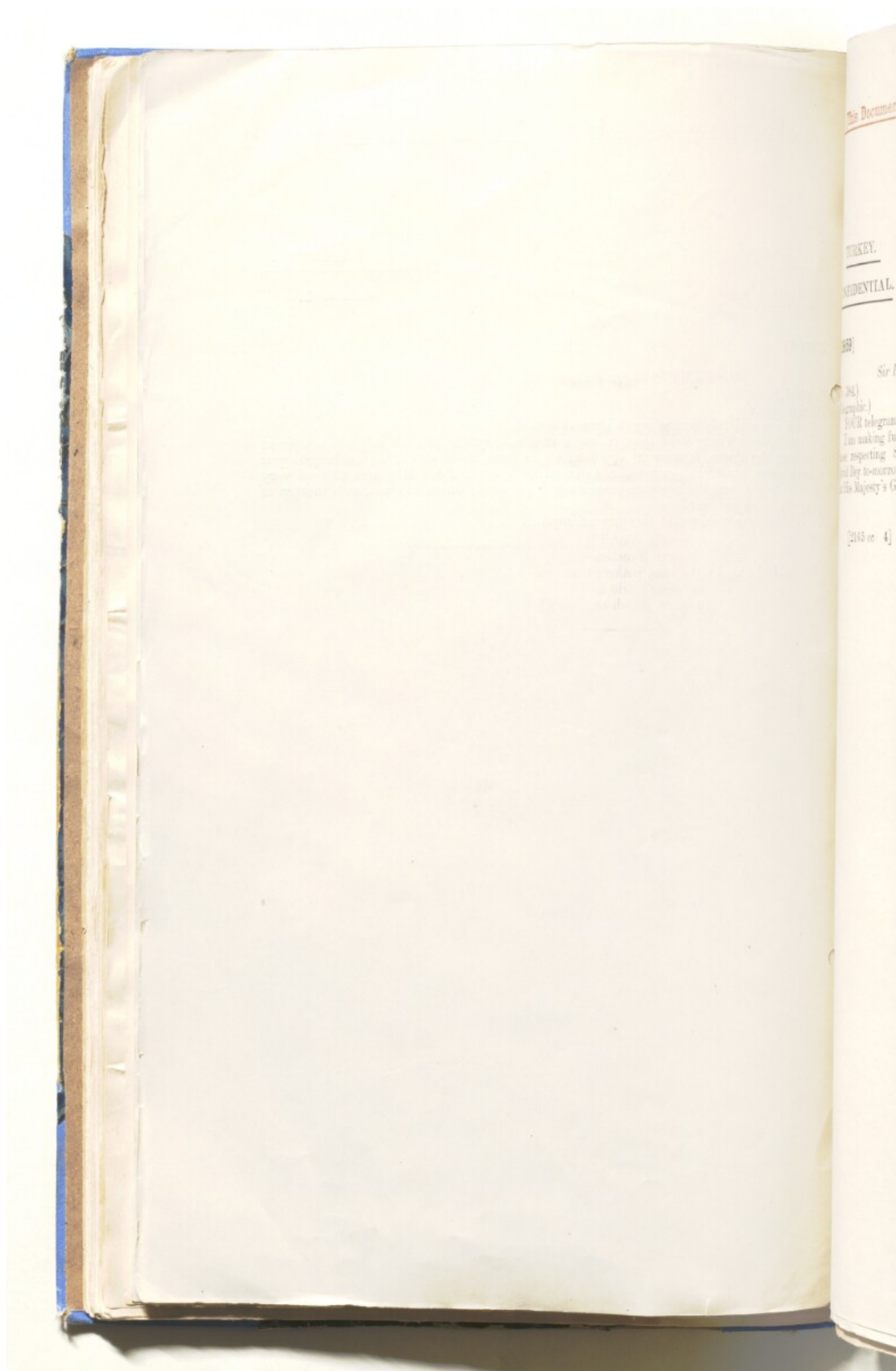
(No. 381.)  
(Telegraphic.)

*Constantinople, June 25, 1914.*

MY immediately preceding telegram of to-day.  
The Grand Vizier said that it was not necessary for His Majesty's Government to menace the Porte, who were very anxious to meet their views, but he begged you to show some consideration for their difficulties. I asked his Highness to read very attentively the terms of my note respecting 3 per cent, which did not, as a matter of fact, contain any threat.

His Highness said that threat was implied.

[2165 bb-1]







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TURKEY.

[June 26.]

CONFIDENTIAL.

SECTION 4.

[28859]

No 1.

*Sir L. Mallet to Sir Edward Grey.—(Received June 26.)*

(No. 384.)

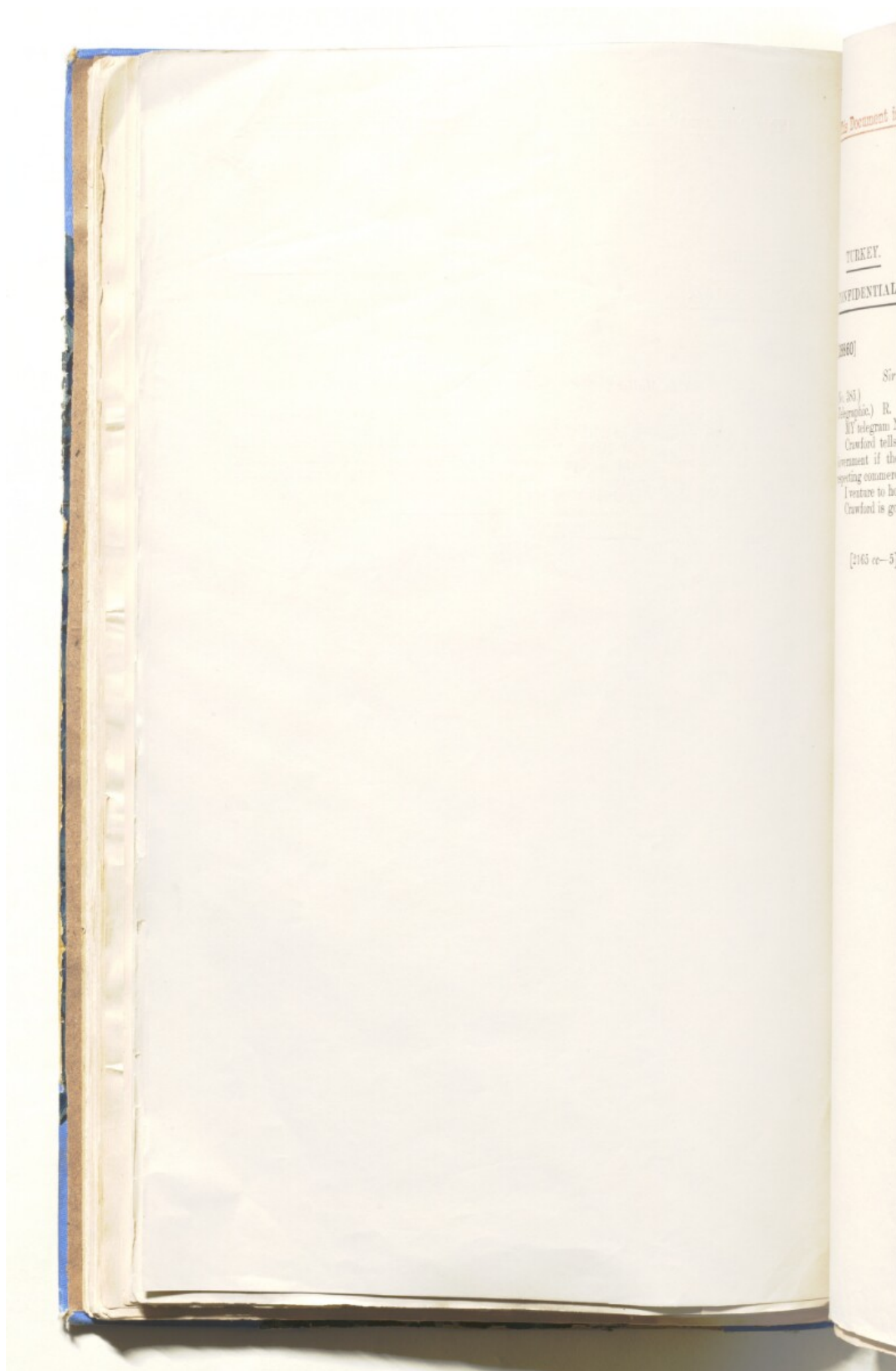
(Telegraphic.)

*Constantinople, June 26, 1914.*

YOUR telegram No. 279 of 24th June.

I am making further endeavours to get Turkish Government to agree to additional clause respecting Shatt-el-Arab Commission and irrigation. Crawford is seeing Djavid Bey to-morrow morning on the subject, and I hope some wording will be found that His Majesty's Government can accept.

[2165 cc 4]







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TURKEY.

[June 26.]

CONFIDENTIAL.

SECTION 5.

[28860]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received June 26.)*

(No. 385.)

(Telegraphic.) R.

*Constantinople, June 26, 1914.*

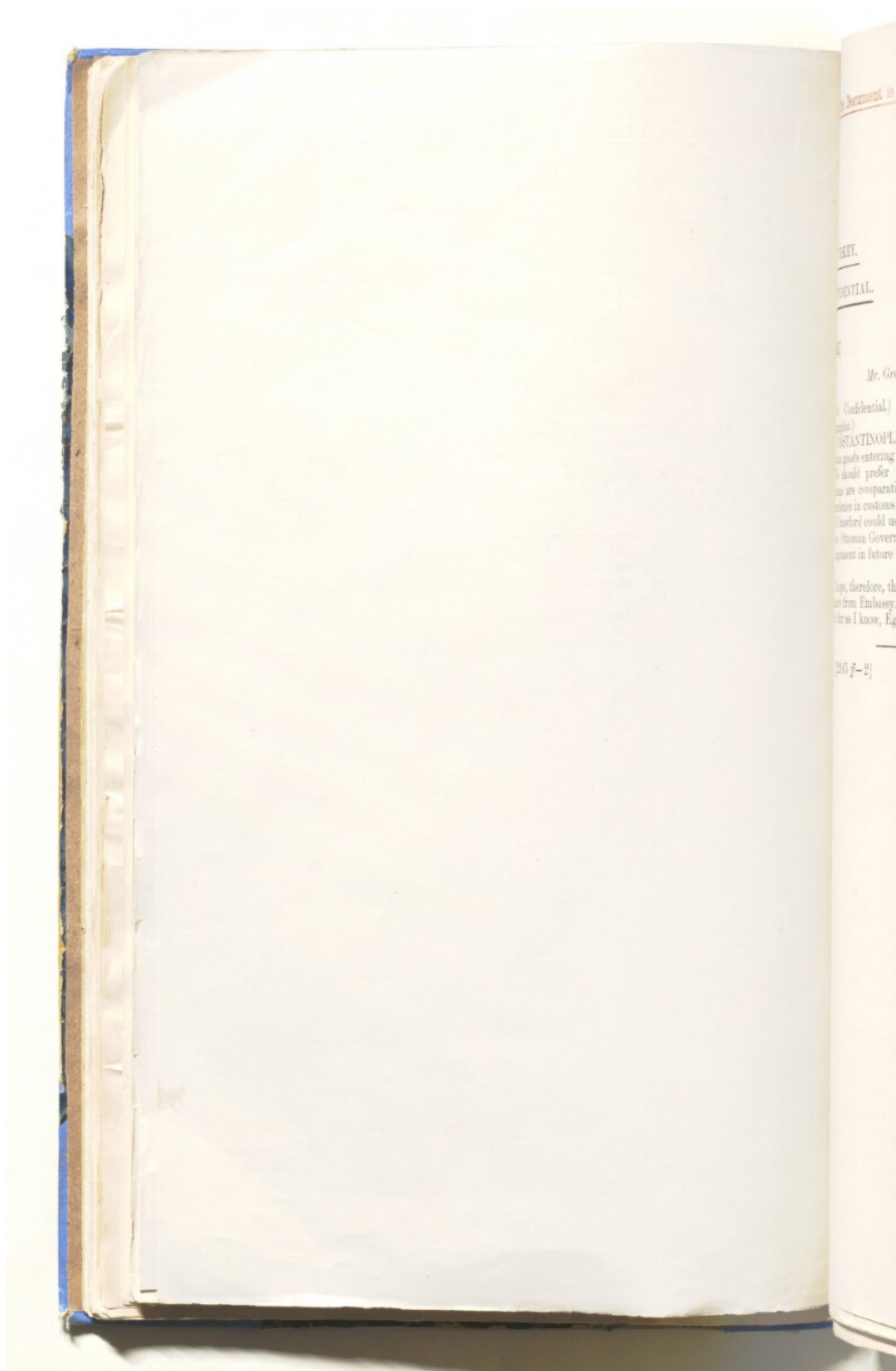
MY telegram No. 382 of 25th June.

Crawford tells me that Hakki Pasha has been instructed to ask His Majesty's Government if they would accept some such undertaking as French have given respecting commercial treaty.

I venture to hope that this overture will not be met with a direct refusal.

Crawford is going to England in July and could discuss it with you.

[2165 cc—5]







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TURKEY.

[June 29.]

CONFIDENTIAL.

SECTION 2.

[29381]

No. 1.

*Mr. Greg to Sir Edward Grey.—(Received June 29.)*

(No. 50. Confidential.)

(Telegraphic.)

*Cairo, June 29, 1914.*

CONSTANTINOPLE telegram No. 375 of 23rd June: Exceptional treatment of Egyptian goods entering Turkey.

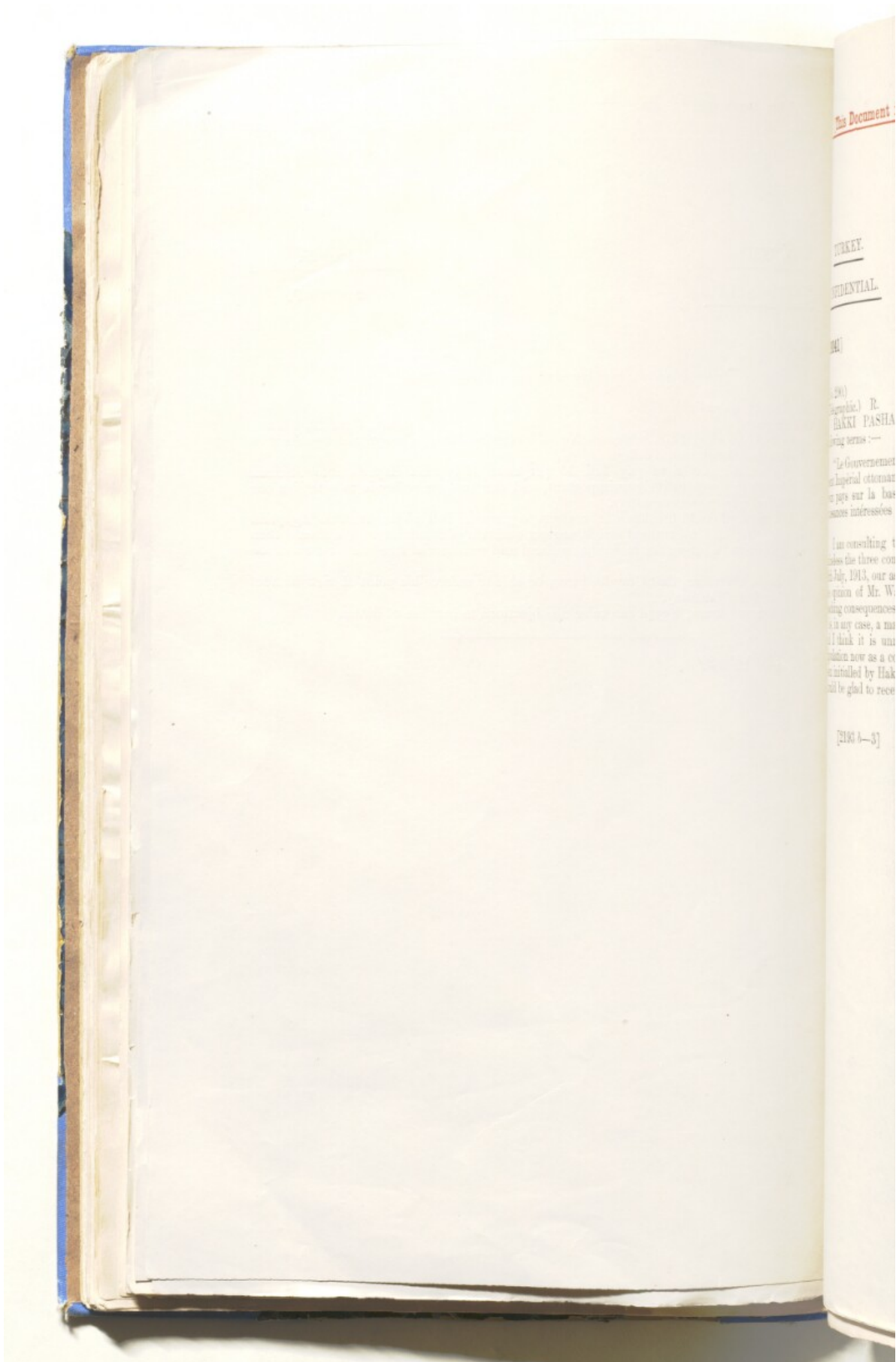
We should prefer to pay full 15 per cent. Egyptian imports into Ottoman dominions are comparatively unimportant, and our trading policy is to establish our independence in customs matters.

If Crawford could use financial reasons to press for full 15 per cent. on Egyptian produce, Ottoman Government might neglect question of suzerainty. We should then have argument in future for insisting on fiscal and commercial freedom *vis-à-vis* of the Porte.

I hope, therefore, that Crawford may be able to enforce his point of view without assistance from Embassy.

So far as I know, Egypt can raise no objections to increase of duties.

[2165 ff-2]







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TURKEY.

[July 2.]

CONFIDENTIAL.

SECTION 3.

[29241]

No. 1.

*Sir Edward Grey to Sir L. Mallet.*

(No. 290.)

(Telegraphic.) R.

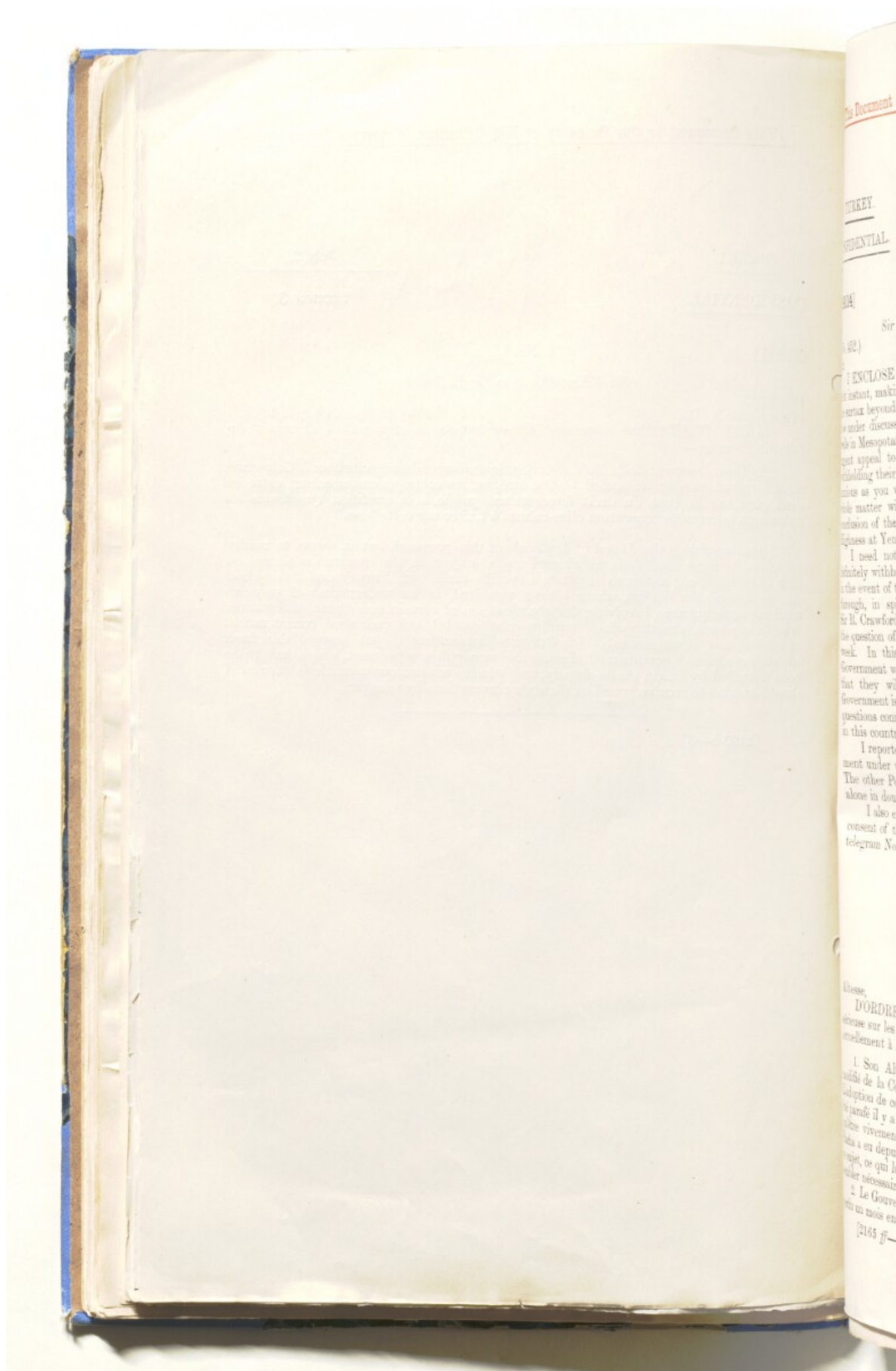
*Foreign Office, July 2, 1914.*

HAKKI PASHA has suggested a new article in monopolies agreement in following terms :—

“Le Gouvernement de Sa Majesté britannique accepte de négocier avec le Gouvernement Impérial ottoman un accord destiné à régler les échanges commerciaux entre les deux pays sur la base du droit international public, à la condition que toutes les puissances intéressées consentent elles-mêmes à traiter sur cette base.”

I am consulting the Board of Trade about this proposal, but it seems to render valueless the three conditions to which I made subject, in the declaration signed on 29th July, 1913, our assent to negotiate a specific tariff with Turkey, and it would, in the opinion of Mr. Waugh, whom I have consulted, be an undertaking of very far-reaching consequences, involving the abandonment of certain commercial safeguards. It is, in any case, a matter which requires most careful and prolonged consideration, and I think it is unreasonable for Ottoman Government to put forward this fresh stipulation now as a condition of signing the monopolies agreement, which has twice been initialled by Hakki Pasha already, and which I am anxious to conclude at once. I should be glad to receive your Excellency's observations by telegram.

[2193 b—3]







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TURKEY.

[June 29.]

CONFIDENTIAL.

SECTION 1.

[29114]

No. 1.

*Sir L. Mallet to Sir Edward Grey.—(Received June 29.)*

(No. 452.)

Sir,

*Constantinople, June 23, 1914.*

I ENCLOSE a copy of the note which I addressed to the Sublime Porte on the 21st instant, making the consent of His Majesty's Government for the prolongation of the surtax beyond the 1st July dependent upon the settlement of the various questions now under discussion between the two Governments, including that of the petroleum wells in Mesopotamia. I saw his Highness yesterday, and reinforced the note by an urgent appeal to him to save His Majesty's Government the painful necessity of withholding their consent to this surtax, to which his Highness replied that he was as anxious as you were to terminate these tedious negotiations, and would discuss the whole matter with the Ministers to-day, exerting all his influence in favour of the conclusion of the agreement at once. It was finally arranged that I should call on his Highness at Yenikeuy to-morrow evening to receive my reply.

I need not point out the extreme inconvenience which would be caused by definitely withholding our consent to the levy of the 3 per cent. after the 1st July, but in the event of the Turks proving recalcitrant it will be necessary to carry the matter through, in spite of the financial chaos which our action will entail, according to Sir R. Crawford. The Russian consent, limited to one year, pending the settlement of the question of a Russian representative on the Council of the Debt, was given last week. In this connection I am informed that it is now unlikely that the German Government will insist both on a second delegate and on the alternate presidency, but that they will be satisfied with the latter. The consent of the United States Government is likewise limited to one year, pending the settlement of certain outstanding questions connected with the numerous American missions and scholastic establishments in this country.

I reported in my despatch No. 72, Commercial, of the 13th May last, the arrangement under which Germany agreed to the continuation of the surtax also for one year. The other Powers having given their consent, that of His Majesty's Government is now alone in doubt.

I also enclose copy of a note reminding the Porte of the necessity of obtaining the consent of the minor Powers to the continuation of the surtax as instructed in your telegram No. 257 of the 10th instant.

I have, &c.

LOUIS MALLET.

Enclosure 1 in No. 1.

*Sir L. Mallet to Halim Pasha.*

Altesse,

*Constantinople, le 21 juin, 1914.*

D'ORDRE de mon Gouvernement, j'ai l'honneur d'attirer votre attention très sérieuse sur les considérations suivantes relatives aux négociations qui se poursuivent actuellement à Londres :

1. Son Altesse Hakki Pacha vient de communiquer à Sir E. Grey un projet modifié de la Convention sur le Règlement des Réclamations pécuniaires britanniques. L'adoption de ce projet comporterait un changement si radical du texte, tel qu'il a déjà été parafé il y a quelque temps, que le Gouvernement de Sa Majesté britannique n'a pu qu'être vivement surpris de la communication, d'autant plus que son Altesse Hakki Pacha a eu depuis des mois pleine connaissance de la manière de voir de Sir E. Grey à ce sujet, ce qui lui aurait permis de proposer antérieurement toute modification qui pût sembler nécessaire à son Gouvernement.

2. Le Gouvernement de Sa Majesté britannique remarque, en outre, qu'après avoir perdu un mois entier à étudier les détails des listes de réclamations, le Gouvernement

[2165 ff—1]



ottoman propose maintenant d'en ajourner la rédaction jusqu'à ce que le Tribunal d'Arbitrage prévu par le projet de Convention commence ses séances.

3. Mon Gouvernement se plaint également des retards réitérés apportés à la signature définitive des autres accords, y compris ceux relatifs aux gisements pétroliers de la Mésopotamie et au Chemin de Fer de Smyrne-Aidin, ainsi que l'arrangement général au sujet des autres chemins de fer, dont la conclusion a toujours été une condition de son adhésion à la majoration éventuelle des droits de douane de 4 pour cent.

C'est en conséquence de ces considérations que Sir E. Grey me charge de faire part à votre Altesse, aussi instamment que je le puis, de son vœu que son Altesse Hakki Pacha soit autorisé télégraphiquement dès à présent de procéder à la rédaction immédiate et définitive des listes de réclamations pécuniaires et de signer définitivement les accords sur le règlement de ces réclamations et sur les monopoles, &c. En attendant une réponse favorable à cette demande, j'ai l'ordre de déclarer à votre Altesse que mon Gouvernement n'adhère que pour une période d'une semaine à partir du 24 courant à la prolongation de la majoration des droits de douanes de 3 pour cent demandée par la note verbale circulaire du Ministère des Affaires Étrangères en date du 20 mai, 1914.

Je profite, &c.

LOUIS MALLET.

Enclosure 2 in No. 1.

*Sir L. Mallet to Halim Pasha.*

Altesse,

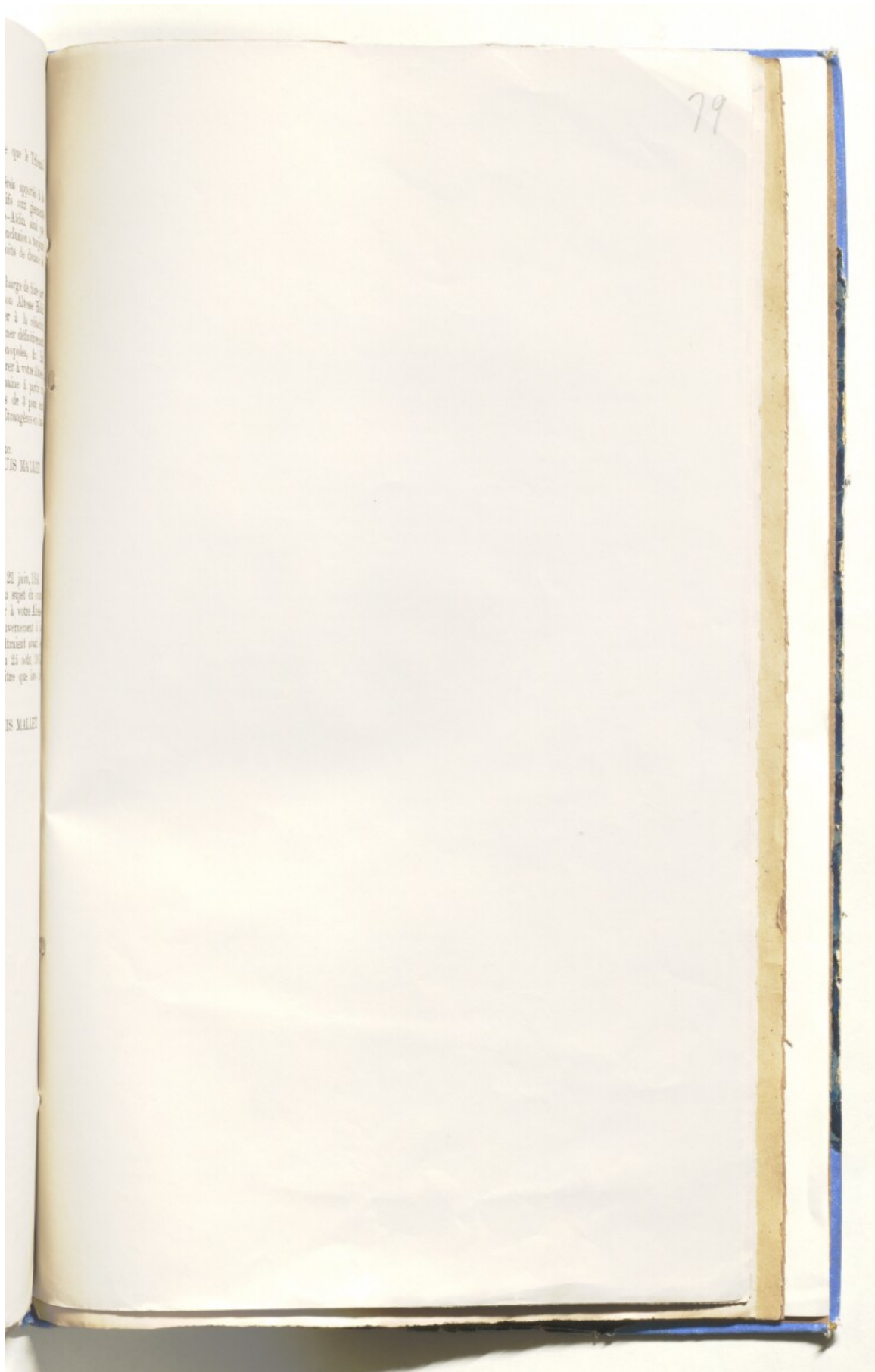
*Constantinople, le 21 juin, 1914.*

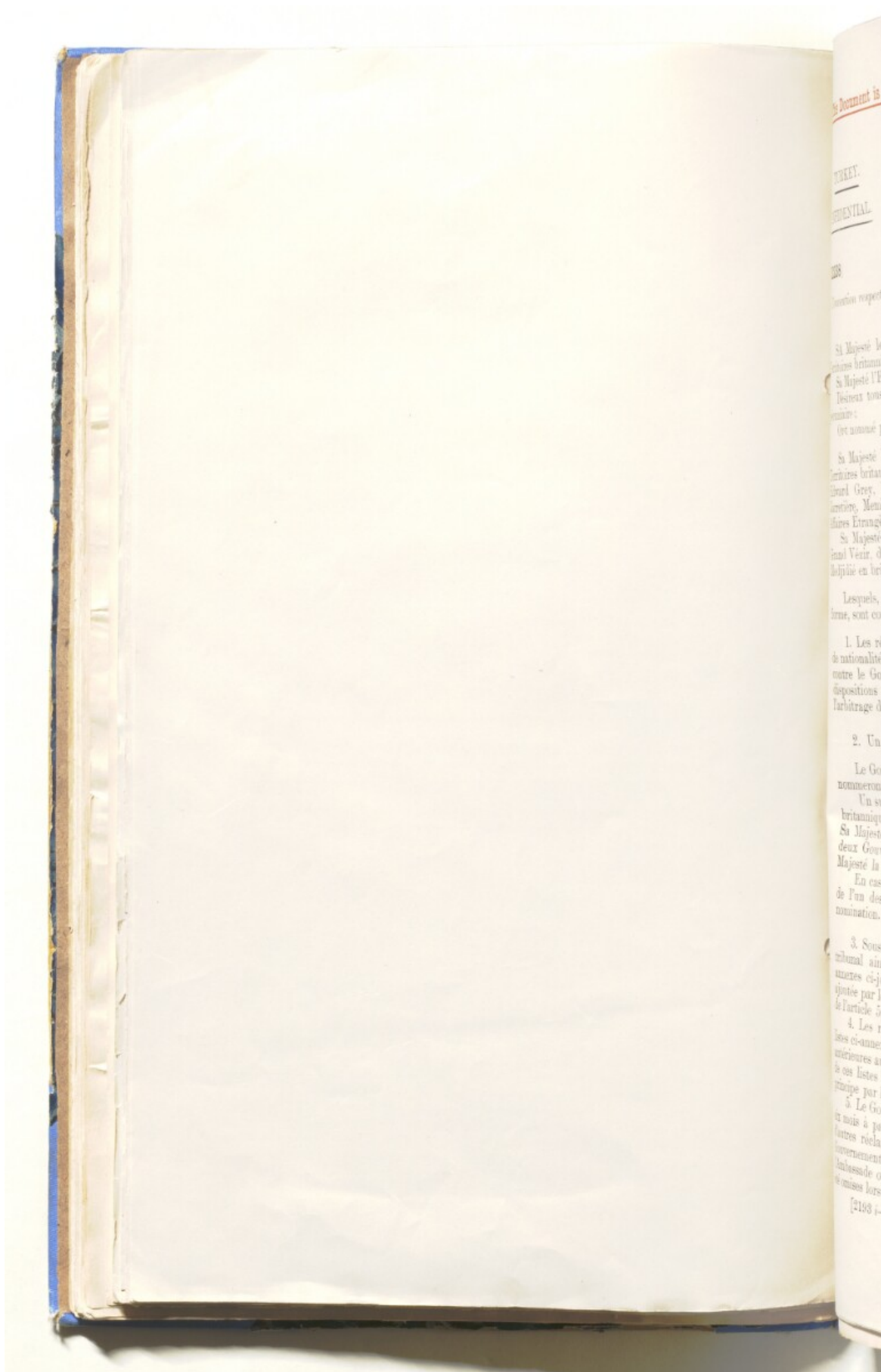
ME référant à la note urgente que je vous adresse aujourd'hui au sujet du cours des négociations qui se poursuivent à Londres, je crois devoir rappeler à votre Altesse que, quand même les autres obstacles à l'adhésion de mon Gouvernement à la prolongation indéfinie de la surtaxe douanière de 3 pour cent disparaîtraient avant le 1<sup>er</sup> juillet comme je l'espère, la troisième disposition du protocole du 25 août, 1907, devrait toujours être appliqué pour ladite prolongation au même titre que lors de l'établissement de la surtaxe.

Je profite, &c.

LOUIS MALLET.











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TURKEY.

July 9.

CONFIDENTIAL.

SECTION 5.

[32238]

No 1.

*Convention respecting Pecuniary Claims against the Imperial Ottoman Government,  
dated July 9, 1914.*

SA Majesté le Roi du Royaume-Uni de Grande-Bretagne et d'Irlande et des  
Territoires britanniques au delà des Mers, Empereur des Indes, d'une part ; et  
Sa Majesté l'Empereur des Ottomans, d'autre part ;

Désireux tous deux de soumettre à l'arbitrage certaines réclamations d'ordre  
pécuniaire ;

Ont nommé pour leurs Plénipotentiaires, savoir :

Sa Majesté le Roi du Royaume-Uni de Grande-Bretagne et d'Irlande et des  
Territoires britanniques au delà des Mers, Empereur des Indes : Le Très Honorable Sir  
Edward Grey, Baronnet du Royaume-Uni, Chevalier du Très Noble Ordre de la  
Jarretière, Membre du Parlement, Principal Secrétaire d'Etat de Sa Majesté pour les  
Affaires Étrangères ;

Sa Majesté l'Empereur des Ottomans : Son Altesse Ibrahim Hakky Pacha, ancien  
Grand Vézir, décoré des Grands Cordons des Ordres Impériaux de l'Osmanié et du  
Medjidié en brillants ;

Lesquels, s'étant communiqué leurs pleins pouvoirs, trouvés en bonne et due  
forme, sont convenus de ce qui suit :

1. Les réclamations pécuniaires des sociétés, maisons commerciales, ou personnes,  
de nationalité britannique, ou qui jouissent de la protection de Sa Majesté britannique,  
contre le Gouvernement Impérial ottoman, comprises, ou ajoutées en conformité des  
dispositions de l'article 5, aux annexes de la présente convention, seront soumises à  
l'arbitrage de la manière suivante :

2. Un tribunal arbitral composé de trois membres sera établi comme suit :

Le Gouvernement de Sa Majesté britannique et le Gouvernement Impérial ottoman  
nommeront chacun un arbitre.

Un surarbitre, qui sera un jurisconsulte de haute réputation et qui ne sera ni sujet  
britannique ni sujet ottoman, sera choisi de commun accord par le Gouvernement de  
Sa Majesté britannique et le Gouvernement Impérial ottoman. Dans le cas où les  
deux Gouvernements ne tomberaient pas d'accord à cet égard, ils inviteraient Sa  
Majesté la Reine des Pays-Bas de bien vouloir choisir le surarbitre.

En cas de décès, de démission, ou d'empêchement, pour quelque cause que ce soit,  
de l'un des arbitres, il est pourvu à son remplacement selon le mode fixé pour sa  
nomination.

3. Sous réserve des dispositions des articles 6 et 7 de la présente convention, le  
tribunal ainsi composé examinera et décidera sur les réclamations comprises aux  
annexes ci-jointes, et il fera de même pour toute réclamation ultérieure qui y serait  
ajoutée par le Gouvernement de Sa Majesté britannique en conformité des dispositions  
de l'article 5.

4. Les réclamations qui seront soumises à l'arbitrage sont insérées dans les deux  
listes ci-annexées sous les catégories (a) et (b). La liste (a) comprend les réclamations  
antérieures au 24 juillet, 1908, et la liste (b) celles qui y sont postérieures. En marge  
de ces listes il est indiqué respectivement les réclamations admises ou rejetées en  
principe par le Gouvernement Impérial ottoman.

5. Le Gouvernement de Sa Majesté britannique aura le droit, pendant un délai de  
six mois à partir de la signature de la présente convention, d'ajouter à la liste (a)  
d'autres réclamations de la même nature qui, ayant été déjà communiquées au  
Gouvernement Impérial ottoman ou aux autorités Impériales, soit par le canal de  
l'Ambassade ou des consulats britanniques, soit directement par les réclamants, auront  
été omises lors de l'élaboration de la liste.

[2193 i—5]

B



En ce qui concerne ces réclamations supplémentaires, l'agent du Gouvernement Impérial ottoman aura, dès l'ouverture des séances du tribunal, à lui indiquer celles qui sont admises en principe par le Gouvernement Impérial ottoman.

6. Quant aux réclamations admises en principe par le Gouvernement Impérial ottoman, où le chiffre du montant ou l'allocation d'intérêts seraient seuls en litige, le tribunal n'aura qu'à arrêter la somme à payer. Quant aux autres réclamations, le tribunal aura d'abord à statuer sur le mérite des cas, et ensuite, le cas échéant, sur le montant d'indemnité ou d'intérêt.

7. Les réclamations contestées en principe par le Gouvernement Impérial ottoman seront décidées en conformité des principes suivants :

(a.) Les réclamations qui dérivent soit des arrangements ou des contrats passés entre les réclamants et le Gouvernement Impérial ottoman, soit de l'exercice des droits propriétaires, du commerce ou de l'industrie dans les territoires ottomans, soit de tout droit, privilège ou pension possédé par les réclamants, seront décidées en conformité des conditions spéciales de l'arrangement, contrat, concession ou autre fait donnant lieu à la réclamation en question, et en conformité des dispositions de la loi que le tribunal arbitral jugera applicable selon le régime des traités existant entre l'Empire ottoman et la Grande-Bretagne.

(b.) Si, dans les cas non prévus par la clause (a) du présent article, le tribunal est d'avis que les dispositions d'un traité, ou d'un principe reconnu du droit international, s'appliquent à la réclamation en question, elle sera jugée selon lesdites dispositions ou ledit principe y relatif. Faute de telles dispositions ou d'un tel principe, elle sera jugée selon la justice et l'équité.

8. Les jugements rendus par le tribunal, ou par la majorité de ses membres, sont définitifs et incontestables.

9. La langue officielle du tribunal sera le français, mais les documents invoqués à l'appui d'une réclamation quelconque pourront être présentés au tribunal en anglais ou en turc, sous la réserve, toutefois, que le tribunal sera fondé à exiger, s'il le juge nécessaire, une traduction française certifiée de tout document ainsi présenté.

10. Le tribunal se réunira à Constantinople à une date à choisir ultérieurement par les deux Gouvernements, et pourra fixer le temps et lieu de ses séances ultérieures sous réserve d'instruction spéciale de ceux-ci.

11. Le surarbitre et les arbitres recevront chacun, outre leurs frais de voyage et pendant la durée des séances, une somme de 5,000 fr. par mois, représentant leurs frais de séjour et honoraire.

12. Chaque Gouvernement aura à sa charge ses propres frais et la moitié des frais du tribunal.

13. Chaque Gouvernement nommera, pour le représenter devant le tribunal, un agent assisté du nombre d'avocats qu'il jugera nécessaire.

14. Le tribunal aura le droit d'établir la procédure à suivre pour l'expédition de ses travaux, de déterminer la forme, l'ordre et les délais dans lesquels les diverses réclamations seront présentées. Il fixera en outre les formalités requises pour l'audition des témoins et l'examen des preuves.

Dans les cas où les agents des deux Gouvernements, avant ou pendant la durée des travaux, s'accorderont par écrit sur une règle de procédure, l'accord en question aura force d'un ordre du tribunal.

15. Les sommes adjugées par le tribunal en vertu de chaque réclamation seront payées par le Gouvernement Impérial ottoman au Gouvernement de Sa Majesté britannique dans un délai de six mois après la date de la décision arbitrale y relative.

16.—(a.) Les réclamations définitivement rejetées par le tribunal ne formeront pas l'objet de représentations diplomatiques ultérieures par le Gouvernement de Sa Majesté britannique ni ne pourront être portées devant les tribunaux.

(b.) Les réclamations basées sur des circonstances antérieures au 22 juillet, 1908, qui n'auront pas été soumises au tribunal, ne formeront pas à l'avenir l'objet de représentations diplomatiques par le Gouvernement de Sa Majesté britannique. Les réclamants en pareil cas conserveront toutefois leur droit de recourir à la justice en conformité des lois ottomanes.

(c.) Les dispositions de la présente convention ne porteront nullement atteinte aux réclamations non soumises au tribunal et dérivant de circonstances intervenues entre le 22 juillet, 1908, et la date de sa signature ; la situation des réclamants en pareil cas n'en sera nullement modifiée.

17. La présente convention sera ratifiée et les ratifications seront échangées aussitôt que faire se pourra, et au plus tard dans un délai de quatre mois.

de quoi, l'  
après leurs en  
à Londres,

Les lettres  
personnelles  
indique que le G  
unique que le  
responsabilité  
unique que la

Archdale

Avramides

Beirutians

Commerces

Sigheh

Catal et Latta

Copi

Elwadi

England

Frangian





En foi de quoi, les Plénipotentiaires respectifs ont signé la présente convention et y ont apposé leurs cachets.

Fait à Londres, en double original, le 9 juillet, 1914.

(L.S.) E. GREY.  
(L.S.) I. HAKKY.

**Annexe.**

**LISTES DES RÉCLAMATIONS.**

*Nota.*—Les lettres "A," "B" et "C" placées, à la troisième colonne de la liste, en marge des diverses réclamations, ont la signification suivante :

"A" indique que le Gouvernement Impérial ottoman admet en principe la réclamation.

"B" indique que le Gouvernement Impérial ottoman conteste au Gouvernement de Sa Majesté britannique le droit de présenter la réclamation, mais que, sous cette réserve, il admet en principe sa responsabilité.

"C" indique que la réclamation est rejetée en principe par le Gouvernement Impérial ottoman.

**PREMIÈRE LISTE. CATÉGORIE (a).**

**RÉCLAMATIONS ANTÉRIEURES AU 24 JUILLET, 1908.**

| No. | Nom.   |   | Somme<br>approximative<br>en livres<br>sterling (non<br>compris les<br>intérêts.) | Nature de la Réclamation.  |
|-----|--|---|---|--|
|     |  |   | £ s. d.   |  |
| 1   | Archdale ... ..  | A | 57 15 5   | Paiement pour des marchandises fournies au Ministère de la Marine ottoman.   |
| 2   | Avramides ... ..                                       | B | 175 2 6   | Arrière de solde et de pension.  |
| 3   | Bedrulislam ... ..                                     | A | 551 2 2   | Arrière de traitements.  |
| 4   | Commerçants originaires des Indes anglaises (El Katif) | C | 188 1 4   | Sommes déposées entre les mains des autorités douanières à El Katif en ou vers 1903.   |
| 5   | Sujets britanniques (Benghazi)                         | C | 5,000 0 0<br>(environ)  | Propriété de sujets britanniques pillée à l'occasion de l'incendie à Benghazi en 1906.   |
| 6   | Castel et Latta ... ..                                 | C | 3,184 8 10  | Marchandises fournies aux autorités municipales à Péra.  |
| 7   | Corpi ... ..   | A | 56,894 3 6  | Jugement déjà rendu contre le Trésor ottoman.  |
| 8   | Edwards ... ..   | C | 38,181 16 4   | Long Island (Golfe de Smyrne). Réclamation pour dédommagement et remboursement du prix d'achat.  |
| 9   | England ... ..   | C | 115 10 0  | Mandat émis par les autorités militaires en 1884.  |
| 10  | Frenghian ... ..                                       | A | 17,653 12 4   | Jugement rendu pour le montant des mandats émis par l'administration de la Compagnie des vapeurs Mahsoussé. Le montant de la réclamation sera augmenté par l'accumulation des intérêts prévus au jugement. |



| 4   |   |     |     |   |  |  |
|-----|---|-----|-----|---|--|--|
| No. | Nom.  |     |     |   | Somme<br>approximative<br>en livres<br>sterling (non<br>compris les<br>intérêts. | Nature de la Réclamation.  |
| 11  | Henderson ...                                     | ... | ... | C   | £ s. d.<br>3,863 2 0   | Mandats émis à Arbib et Cie. par les<br>autorités militaires à Tripoli.  |
| 12  | Hotchkiss ...                                     | ... | ... | C   | 512 10 0   | Munitions fournies à un vaisseau de guerre<br>ottoman. La compagnie possède un<br>mandat pour la somme indiquée.   |
| 13  | Manchester Engineering Com-<br>pany (Stalybridge) | ... | ... | C   | 392 19 7   | Réclamation contre le Ministère de la<br>Marine.   |
| 14  | Nelson; King; et Alderson ...                     | ... | ... | A   | 1,150 0 0  | Arrière de solde.  |
| 15  | Nock Bey ...                                      | ... | ... | A   | 100 0 0  | " "  |
| 16  | Parnis ...  | ... | ... | A   | 960 0 0  | Arrière de pension.  |
| 17  | Pilleau ...                                       | ... | ... | C   | 71 12 9  | " "  |
| 18  | Poole ...   | ... | ... | A   | 412 17 10  | Biens fournis en 1874 au feu Sultan<br>Mourad V.   |
| 19  | Sandison ...                                      | ... | ... | C   | 123 14 10  | Arrière de solde et de pension.  |
| 20  | Sarell ...  | ... | ... | C   | 28 3 4   | Arrière de pension.  |
| 21  | Swift ...   | ... | ... | A   | 100 0 0  | Jugement déjà rendu contre le Trésor otto-<br>man.   |
| 22  | Tucker ...  | ... | ... | A pour<br>plombes 27,330<br>C pour le surplus | 628 16 2   | Marchandises fournies au Ministère de la<br>Marine et l'Administration Mahanissé.  |
| 23  | Vella ...   | ... | ... | C   | 39 7 6   | Mandats émis pour la somme indiquée.   |
| 24  | Vinicombe; Atkinson; et Curtis                    | ... | ... | C   | 330 9 10   | Arrière de solde. La somme est portée à<br>la liste de la Dette flottante, toutefois la<br>nécessité de recherches ultérieures y est<br>également notée. |
| 25  | Whittaker ...                                     | ... | ... | A   | 2,348 12 6   | Arrière de subvention dû au journal<br>"Levant Herald."  |
|     |   |     |     |   |  | E. GREY.<br>I. HAKKY.  |





DEUXIÈME LISTE. CATÉGORIE (b).

RÉCLAMATIONS POSTÉRIEURES AU 23 JUILLET 1908.

| No. | Nom.  |   | Somme<br>approximative<br>en livres<br>sterling (non<br>compris les<br>intérêts). | Nature de la Réclamation.   |
|-----|---|---|---|---|
| 101 | Abdul Ghani Mera ...                            | B | Inconsidérable  | Réclamation pour dédommagement motivée par l'acte des autorités ottomanes.  |
| 102 | Anglo-Syrian Trading Company                    | A | £ s. d.<br>5,635 7 5  | Des mandats pour la somme indiquée ont été reçus du Département de la Gendarmerie à Salonique.  |
| 103 | British and Foreign Bible Society               | C | 10 0 0  | Livres perdus quand la ville de Sorovitch fut détruite en 1912 par les troupes ottomanes.   |
| 104 | Sujets britanniques (Constantinople)            | C | 150 0 0   | Chevaux mis en réquisition à Constantinople. Les propriétaires réclament une somme supérieure à celle indiquée. Cette réclamation ne comprend pas le No. 126.                   |
| 105 | Sujets britanniques (Constantinople, Salonique) | C | 2,650 5 2   | Munitions de guerre. Pertes occasionnées par défense subite d'importation d'armes en 1910.  |
| 106 | Sujets britanniques (Gaza) ...                  | C | Non spécifiée   | Droits de jetée à Gaza.   |
| 107 | Sujets britanniques (Le Hedjaz)                 | C | £ s. d.<br>2,567 4 2  | Brigandage au Hedjaz et piraterie dans la Mer Rouge en 1908 et 1909. Pertes subies par des sujets britanniques à cause des désordres dans ces parages.                          |
| 108 | Idem ...  | C | 687 2 6   | Vol au Hedjaz en 1912 et 1913. Pertes résultant des désordres. La réclamation n'est pas complète.   |
| 109 | Sujets britanniques (Djeddah)...                | C | 246 0 0   | Droits de magasinage pour le pétrole. Montant d'une seule réclamation formulée par Messrs. Gellatly, Hankey et Cie. Des réclamations ultérieures ne sont pas encore spécifiées. |
| 110 | Idem ...  | C | 100 0 0   | Droits de magasinage pour le pétrole. Réclamation ultérieure par Messrs. Gellatly, Hankey et Cie.   |
| 111 | Sujets britanniques (San Stefano)               | C | 120 13 6  | Dégâts occasionnés à des maisons par les troupes ottomanes. La Sublime Porte admet sa responsabilité pour la plus grande partie.  |
| 112 | Sujets britanniques (Smyrne) ...                | C | Non spécifiée   | Quatre animaux mis en réquisition par les autorités et appartenant à des sujets britanniques. La Sublime Porte s'est engagée à faire paiement à la fin de la guerre.            |
| 113 | Idem ...  | C | £ s. d.<br>198 0 0  | Chevaux mis en réquisition par les autorités militaires.  |
| 114 | Browne (Rev. W. H.) ...                         | C | 108 0 0   | Maison incendiée par des Kurdes en 1909.  |
| 115 | Bugeya ...                                      | C | 36 0 0  | Réclamation contre la municipalité de Yénidje Vardar.   |

[2193 i—5]

C



| 6   |                                      |     |     |   |  |   |
|-----|--------------------------------------|-----|-----|---|--|---|
| No. | Nom.                                 |     |     |   | Somme approximative en livres sterling (non compris les intérêts). | Nature de la Réclamation.   |
|     |                                      |     |     |   | £ s. d.  |   |
| 116 | Butterworth                          | ... | ... | C | 4,000 0 0  | M. le Capitaine Butterworth fut assassiné à Bassora.  |
| 117 | Calleya                              | ... | ... | C | 20,909 0 0   | Réclamations résultant du passif de la Liste civile. 11,000l. sont portées à la liste de la Dette flottante. Le tribunal n'a pas encore rendu jugement en ce qui concerne le surplus. |
| 118 | Calvert                              | ... | ... | A | 100 0 0  | Avaries occasionnées à une ferme près des Darlanelles.  |
| 119 | Canelly et Juda                      | ... | ... | C | 300 0 0  | Déprédations dans des forêts appartenant à deux sujets britanniques.  |
| 120 | Cauchi                               | ... | ... | C | 272 14 0   | Les autorités ont manqué d'exécuter les conditions de bail d'une propriété à Salonique. En 1912 le Gouvernement ottoman admit sa responsabilité entière.                              |
| 121 | Churchill Bey                        | ... | ... | C | 900 0 0  | Indemnité pour son renvoi sommaire de la gendarmerie.   |
| 122 | Commercial Company of Salonica, Ltd. | ... | ... | C | 856 0 0  | Tabac pillé à Mustapha Pacha.   |
| 123 | Cordona                              | ... | ... | C | 9 0 0  | Dégâts occasionnés à un pré où les soldats ottomans firent camp.  |
| 124 | Dadabhoi                             | ... | ... | C | 15 0 0   | Frais encourus en raison d'un vol de sacs de café.  |
| 125 | Demetriadi...                        | ... | ... | C | 354 0 0 (environ)  | Dégâts occasionnés par des soldats ottomans à un moulin près d'Andrinople.  |
| 126 | Economic Co-operative Society        | ... | ... | C | 54 0 0   | Chevaux mis en réquisition par les autorités militaires à Constantinople. La Sublime Porte s'est engagée à faire paiement à la fin de la guerre.                                      |
| 127 | Errera and Co.                       | ... | ... | C | 271 16 9   | Marchandises pillées par des brigands.  |
| 128 | Esoofaly Sherafaly, &c.              | ... | ... | C | 578 0 0  | Frais encourus relativement à une somme avancée à l'Administration du Yémen.  |
| 129 | Faiz-i-Hussaini                      | ... | ... | A | 213 12 9   | Terrain saisi par les autorités militaires.   |
| 130 | Fisher                               | ... | ... | C | 117 13 0   | Blé et orge mis en réquisition contre un reçu où sa valeur fut indiquée.  |
| 131 | Gallia                               | ... | ... | C | 261 0 0  | Dégâts occasionnés à un moulin à Tirnovu en 1913 par des troupes ottomanes.   |
| 132 | Hababhoi                             | ... | ... | A | 67 0 0   | Somme due par les autorités de Médine.  |
| 133 | Hillman (J. and A.)                  | ... | ... | C | 819 3 6  | Somme déposée contre, et droits prélevés sur, du cuir destiné au Ministère de la Guerre.  |
| 134 | Juda (Avram)                         | ... | ... | C | Non spécifiée  | Prix de machines agricoles fournies aux autorités ottomanes à Monastir.   |
| 135 | Kassum Alana                         | ... | ... | C | £ s. d.<br>600 0 0   | Le capitaine du "Mejlis" fut assassiné à Bassora.   |





| 7   |                                |   |   |   |
|-----|--------------------------------|---|---|---|
| No. | Nom.                           |   | Somme<br>approximative<br>en livres<br>sterling (non<br>compris les<br>intérêts). | Nature de la Réclamation.   |
| 136 | Khedivial Steamship Company    | C | Non spécifiée   | Mulets mis en réquisition à Damas.  |
| 137 | "Linaria" ...                  | C | £ s. d.<br>3,271 19 5   | Réclamation formulée par la compagnie<br>Stag Line par raison de la détention du<br>"Linaria" à Constantinople.                                       |
| 138 | Lynch (Messrs.) ...            | C | Non spécifiée   | Droit d'importation sur un nouveau bateau<br>à vapeur.  |
| 139 | "Manoussis" ...                | C | " "   | Saisie d'un vaisseau aux Dardanelles.   |
| 140 | Marc ...                       | C | £ s. d.<br>80 0 0   | Vice-consul à Samos. Dégâts occasionnés<br>à sa maison par des soldats ottomans.  |
| 141 | Oriental Carpet Company ...    | C | Non spécifiée   | Fils de laine saisis par les autorités locales<br>à Kara Hissar Sahib.  |
| 142 | Idem ...                       | C | £ s. d.<br>509 1 10   | Dégâts occasionnés à une usine à Hadjin.<br>Le Gouvernement n'admet pas sa<br>responsabilité.   |
| 143 | Ottoman Gas Company (Smyrna)   | C | Non spécifiée   | Réclamation pour exemption de droits im-<br>posés sur propriété immobilière.  |
| 144 | Paterson ...                   | A | £ s. d.<br>19,470 0 0   | Orge et avoine fournies aux autorités<br>militaires à Smyrne.   |
| 145 | Psaras ...                     | A | 2 0 0   | Dégâts occasionnés par des soldats à une<br>maison à Aidin.   |
| 146 | Smith ...                      | C | 6 1 0   | Farine saisie par des soldats à Pergamos.   |
| 147 | Soane ...                      | C | 12 0 0  | Vol par des Bédouins. La somme ne<br>comprend pas la valeur d'effets per-<br>sonnels.   |
| 148 | "Starlight," alias "Elpis" ... | C | 1,454 10 0  | Saisie d'un remorqueur. Cette somme ne<br>comprend pas de réclamation pour des<br>dommages-intérêts éventuels.  |
| 149 | Stellario Schembri ...         | C | 145 0 0   | Bœufs mis en réquisition. Il se peut<br>qu'une réclamation ultérieure pour<br>des dommages-intérêts éventuels soit<br>formulée.                       |
| 150 | Trayhorn ...                   | C | Non spécifiée   | Cheval mis en réquisition.  |
| 151 | Tucker ...                     | C | £ s. d.<br>2,590 0 0  | Solde des sommes déposées comme garantie<br>pour exécution de contrats pour livraison<br>de charbon.  |
| 152 | Warren Brothers ...            | C | 346 6 0   | Les détails de la réclamation ne sont pas<br>encore spécifiés.  |
| 153 | Whittall ...                   | C | 228 0 0   | Blé saisi aux Dardanelles pour l'armée<br>ottomane.   |
| 154 | Whittall (J. W.) ...           | A | 960 17 8  | Orge, avoine et sacs saisis à Karabigha par<br>les autorités militaires. La Sublime<br>Porte s'est engagée à faire paiement à<br>la fin de la guerre. |

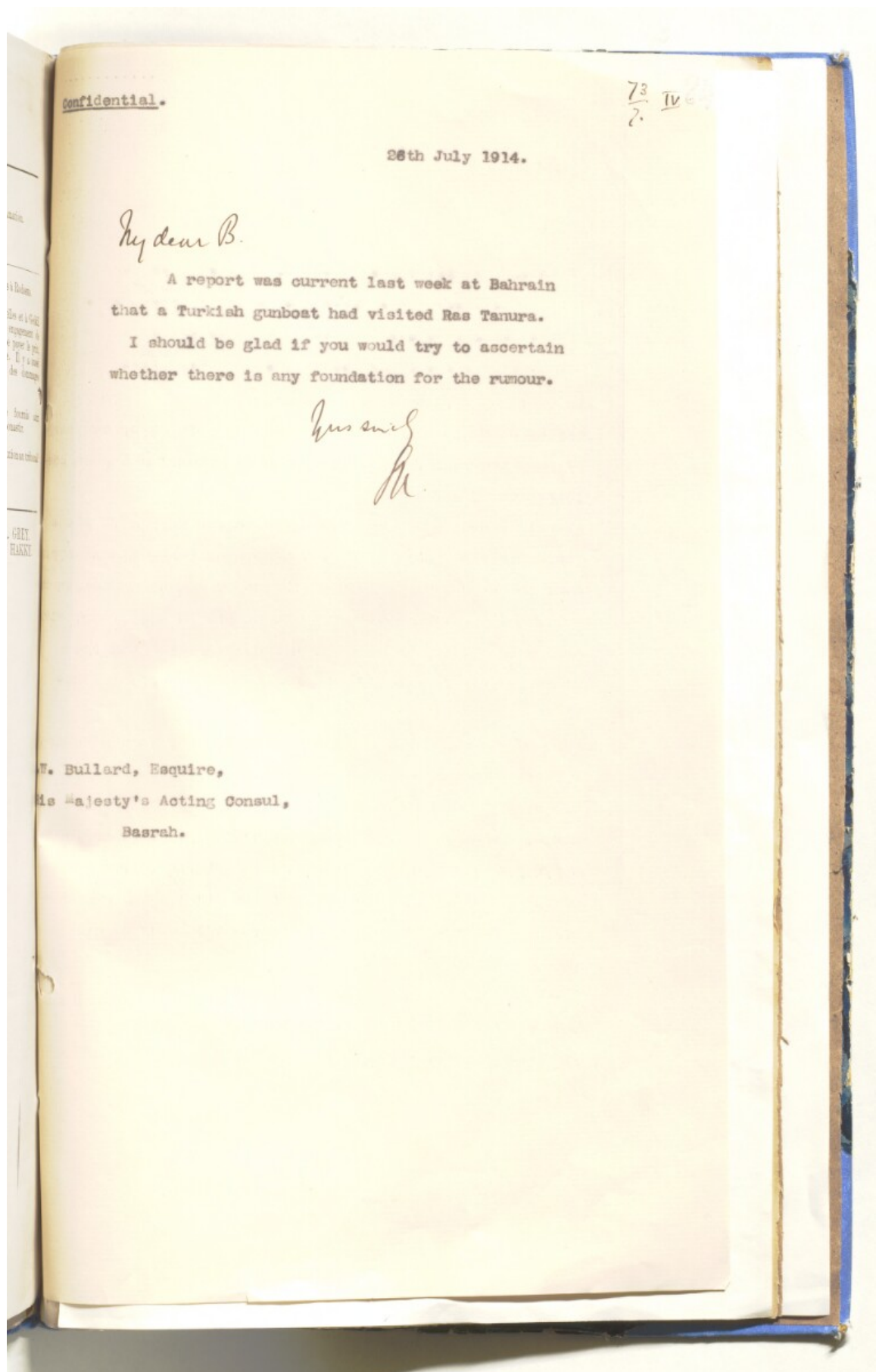


8

| No. | Nom.             |     | Somme<br>approximative<br>en livres<br>sterling (non<br>compris les<br>intérêts). | Nature de la Réclamation.  |
|-----|------------------|-----|---|--|
| 155 | Whittall (J. W.) | ... | Non spécifiée.  | Orge fournie aux autorités à Rodosto.  |
| 156 | Whittall (C.)    | ... | £ s. d.<br>500 0 0  | Les autorités aux Dardanelles et à Geikl ont manqué à leur engagement de prendre livraison ou de payer le prix d'une fourniture d'orge. Il y a aussi une réclamation pour des dommages intérêts éventuels. |
| 157 | Zarb             | ... | 23 10 0   | Accessoires d'automobile fournis aux autorités militaires à Monastir.  |
| 158 | Zarb             | ... | 27 5 5  | Somme déposée comme caution au tribunal ottoman à Monastir.  |

E. GREY.  
I. HAKKY.





confidential.

73  
2. IV

26th July 1914.

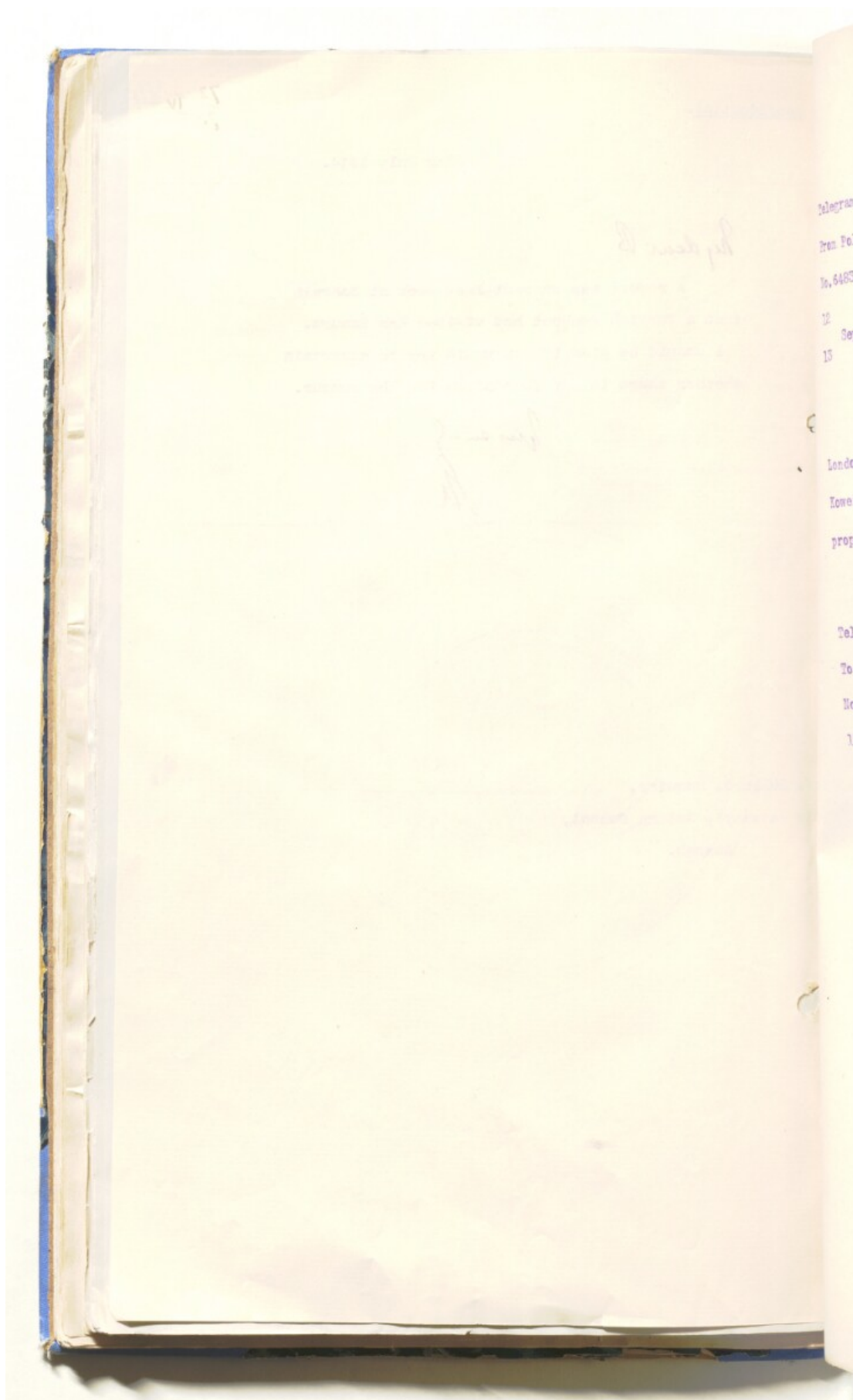
My dear B.

A report was current last week at Bahrain  
that a Turkish gunboat had visited Ras Tanura.

I should be glad if you would try to ascertain  
whether there is any foundation for the rumour.

Yours sincerely  
R.

W. Bullard, Esquire,  
His Majesty's Acting Consul,  
Basrah.



Telegram

Iran Fell

No. 6483.

12 Sept

13

London

Lowit

propo

Tele

To I

No.

13





73/7

85

Telegram R.

From Political Basra.

No. 6483.

12

September 1917 .

13

Can you post me a copy of the official map issued in London in 1913 showing proposed inner and outer boundaries of Koweit principality ? C.P.O. wants a number of copies made and I propose to send it to Calcutta for reproduction.

Political.

Telegram R.

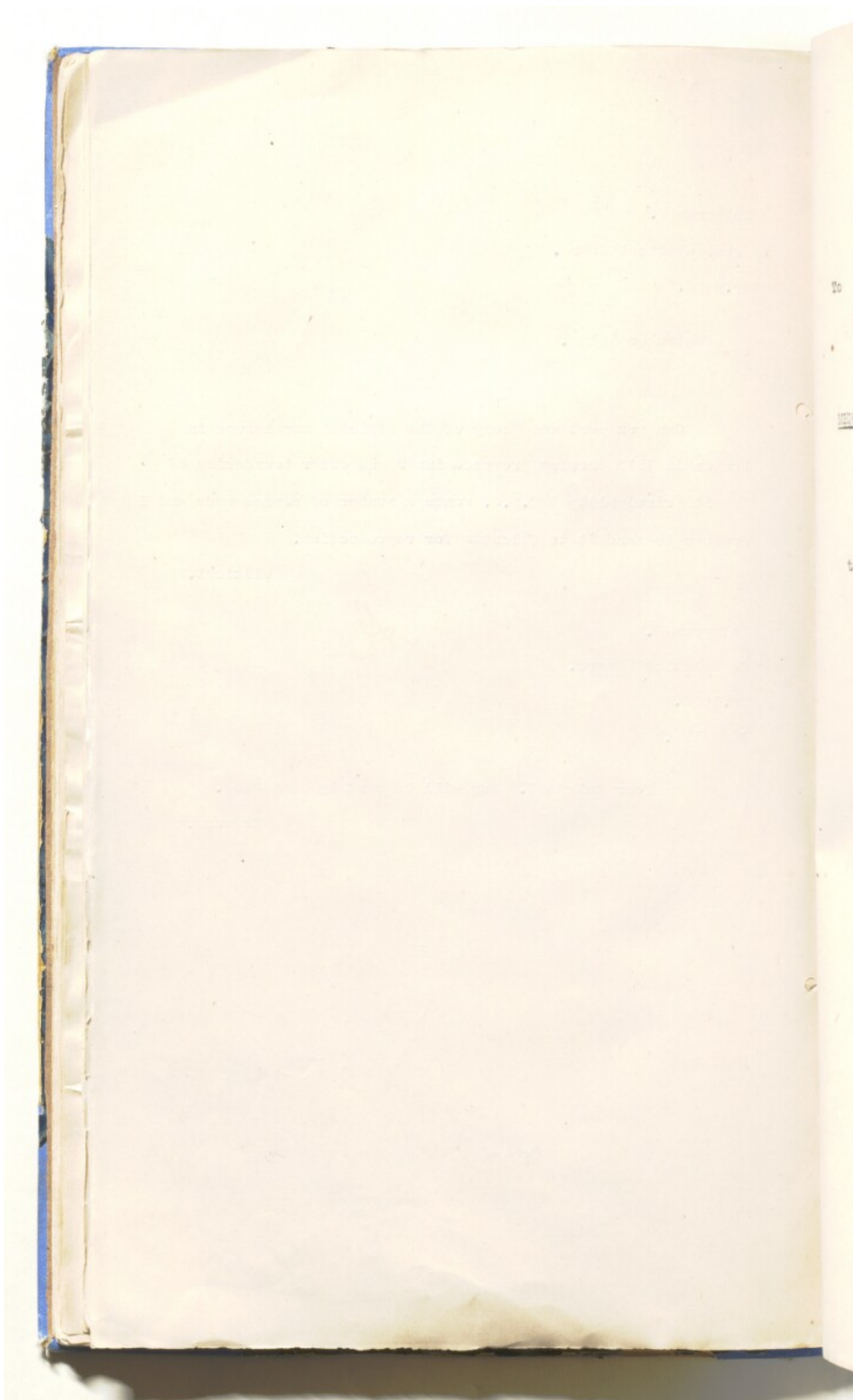
To Political Basra.

No. 1553.

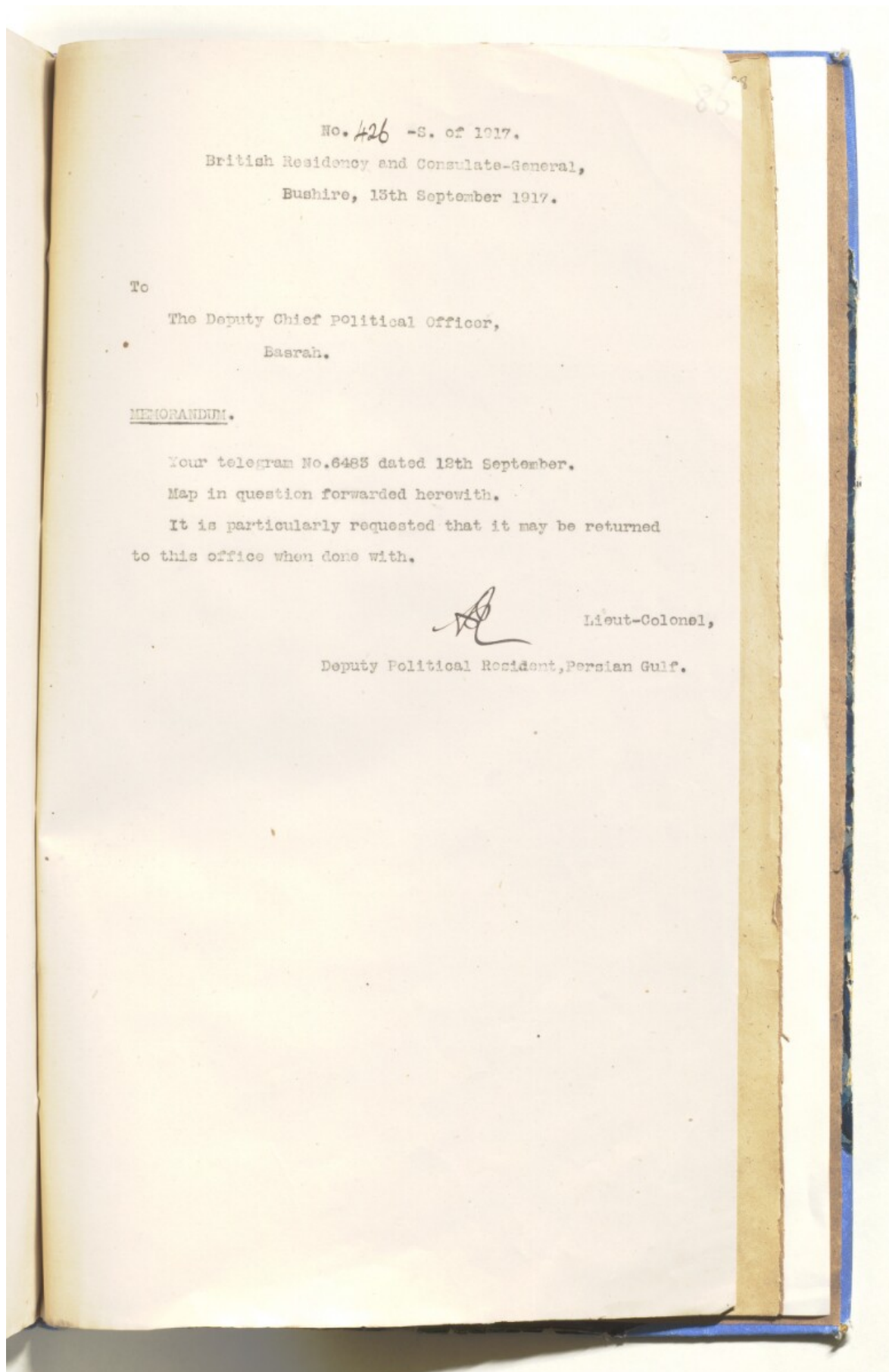
13/9/17 .

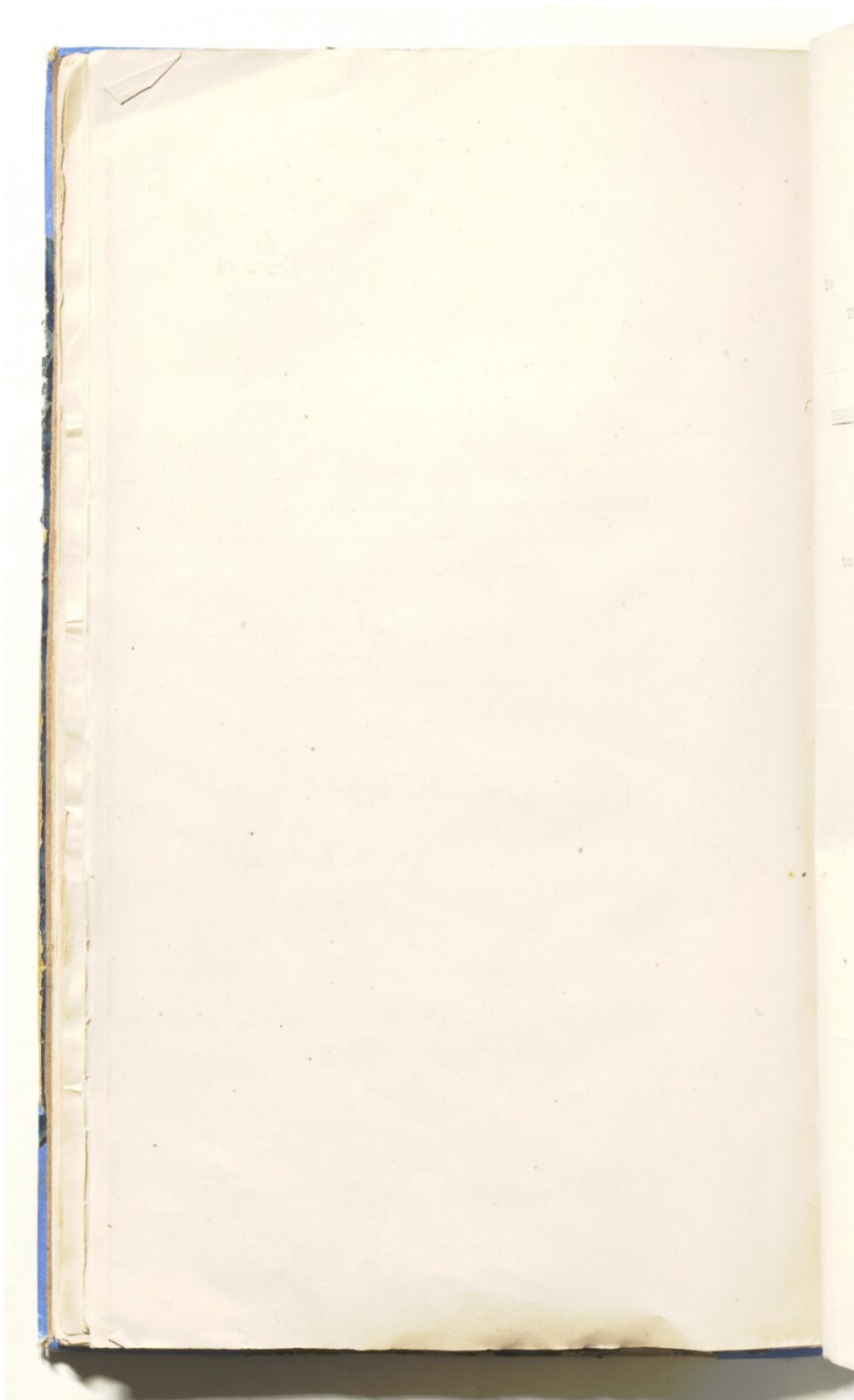
Your tel 6483. Map will be sent by next mail.

Trevor .

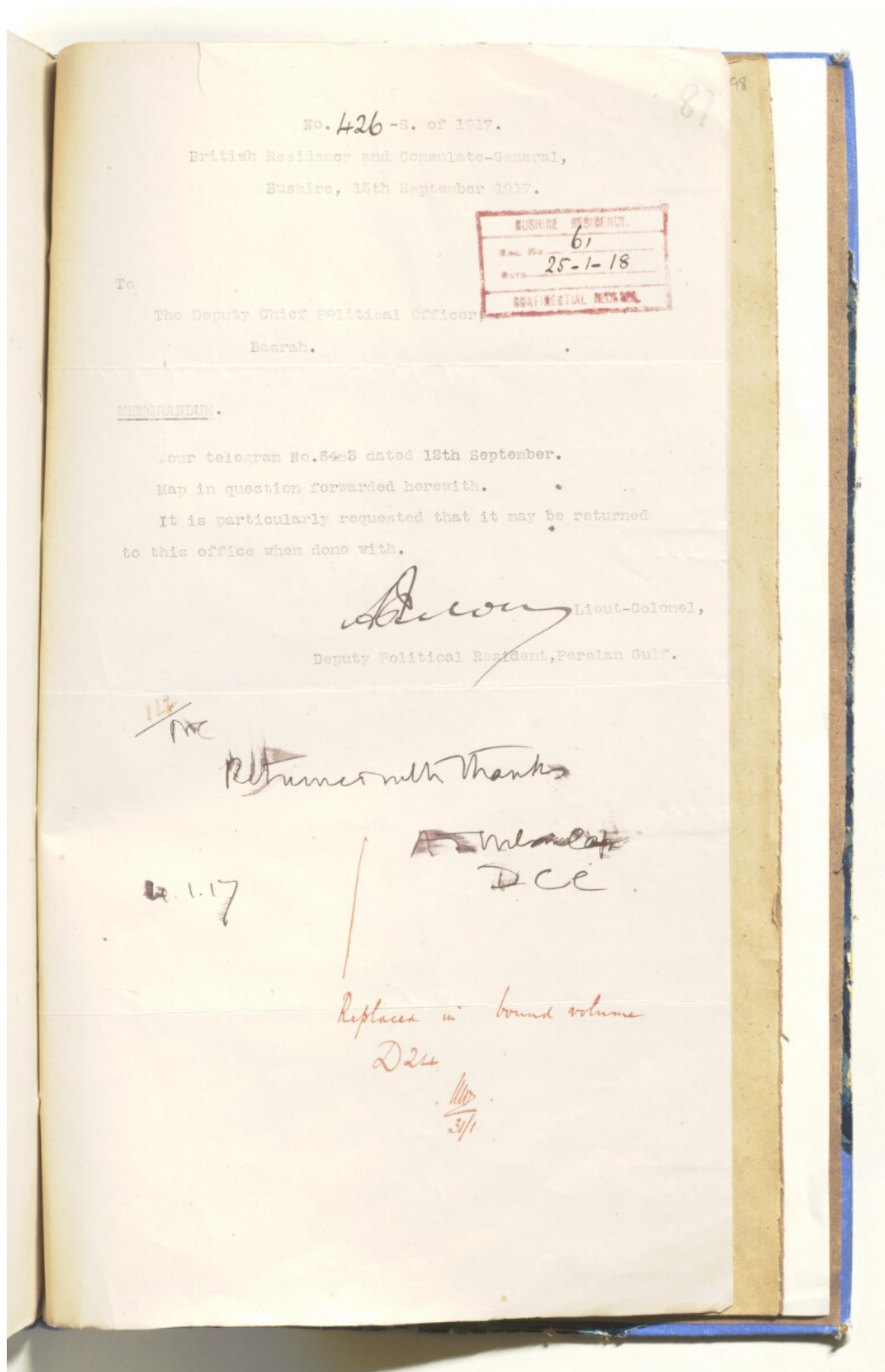
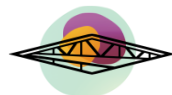


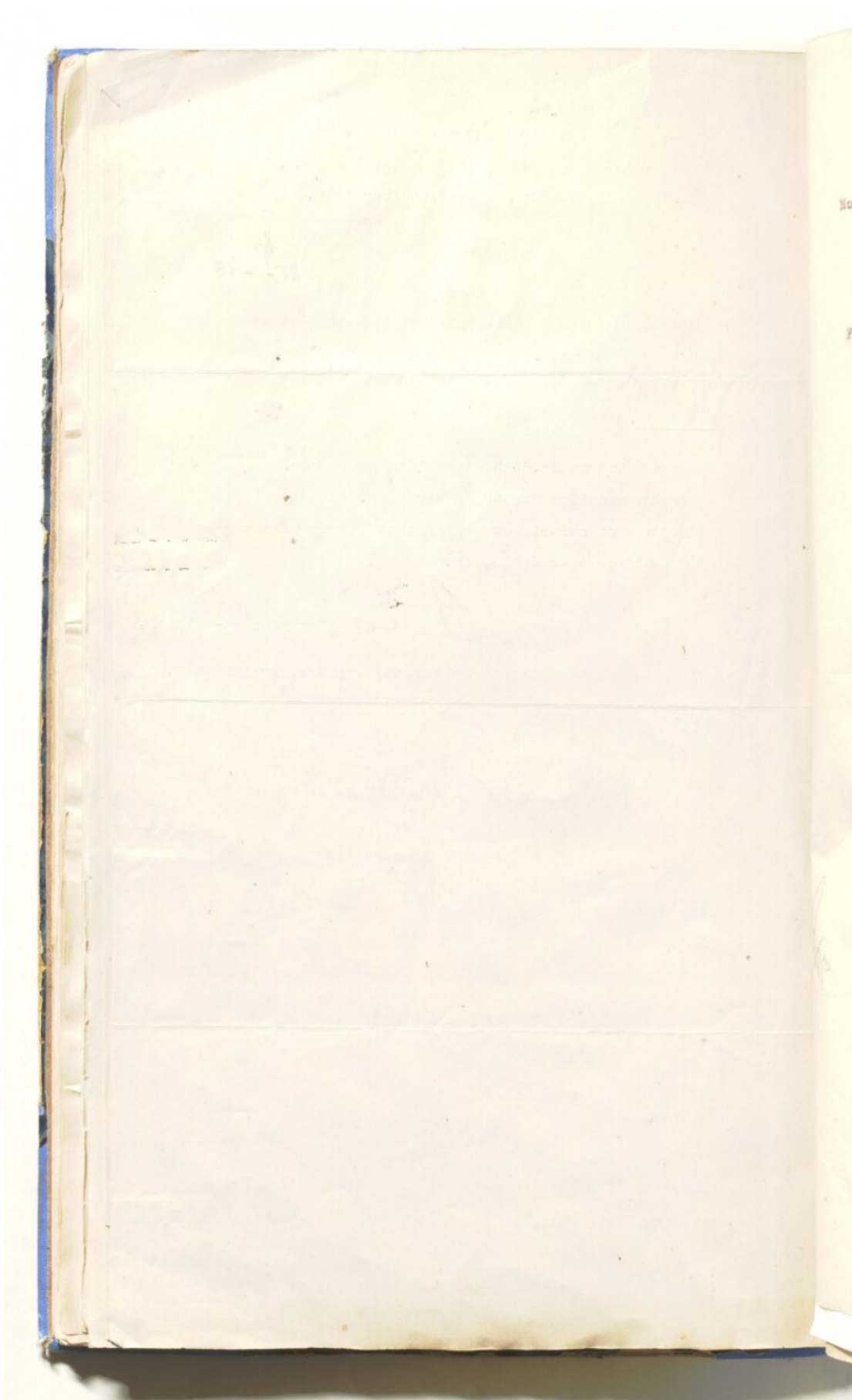
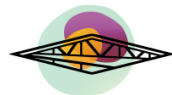




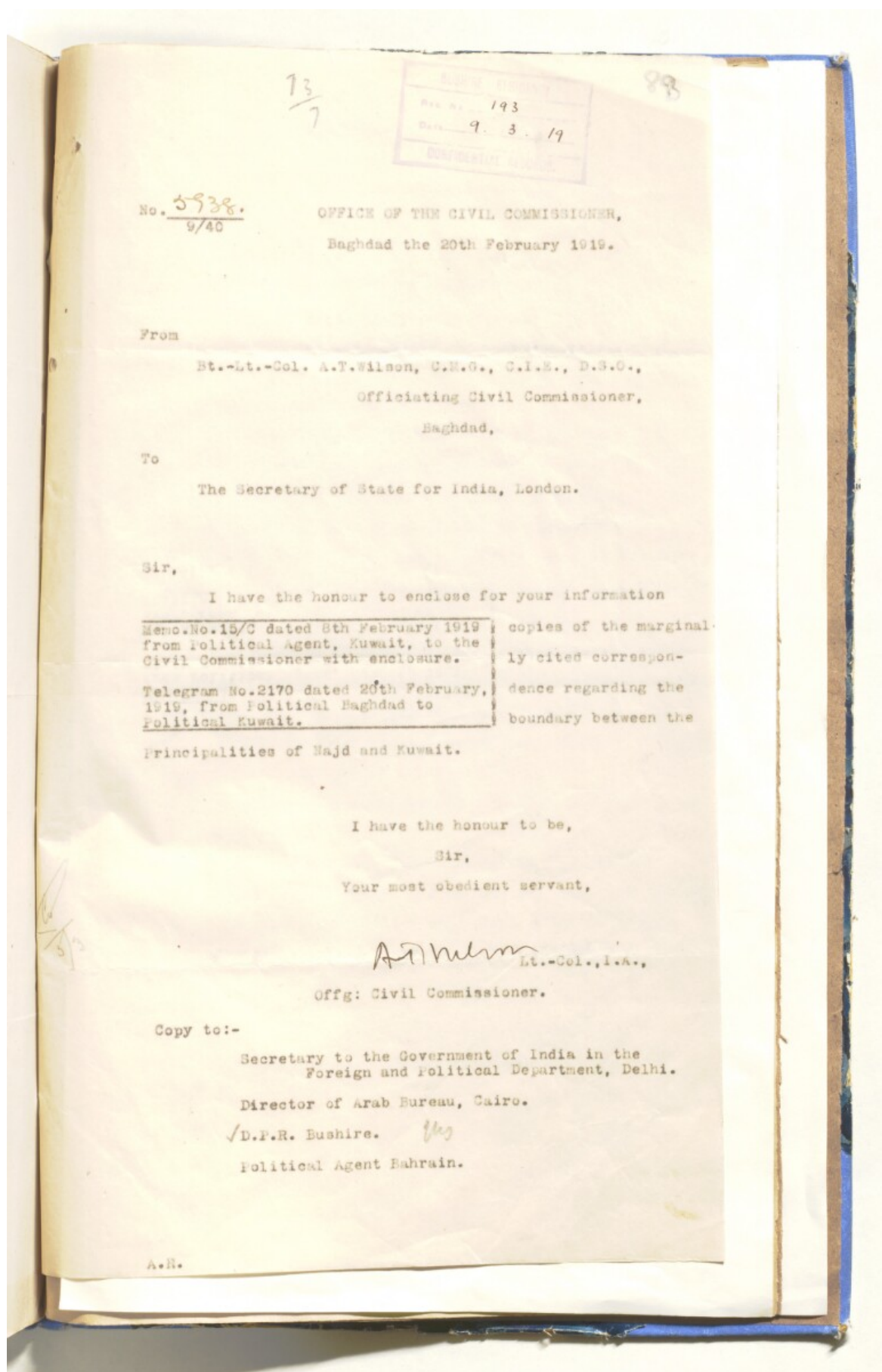


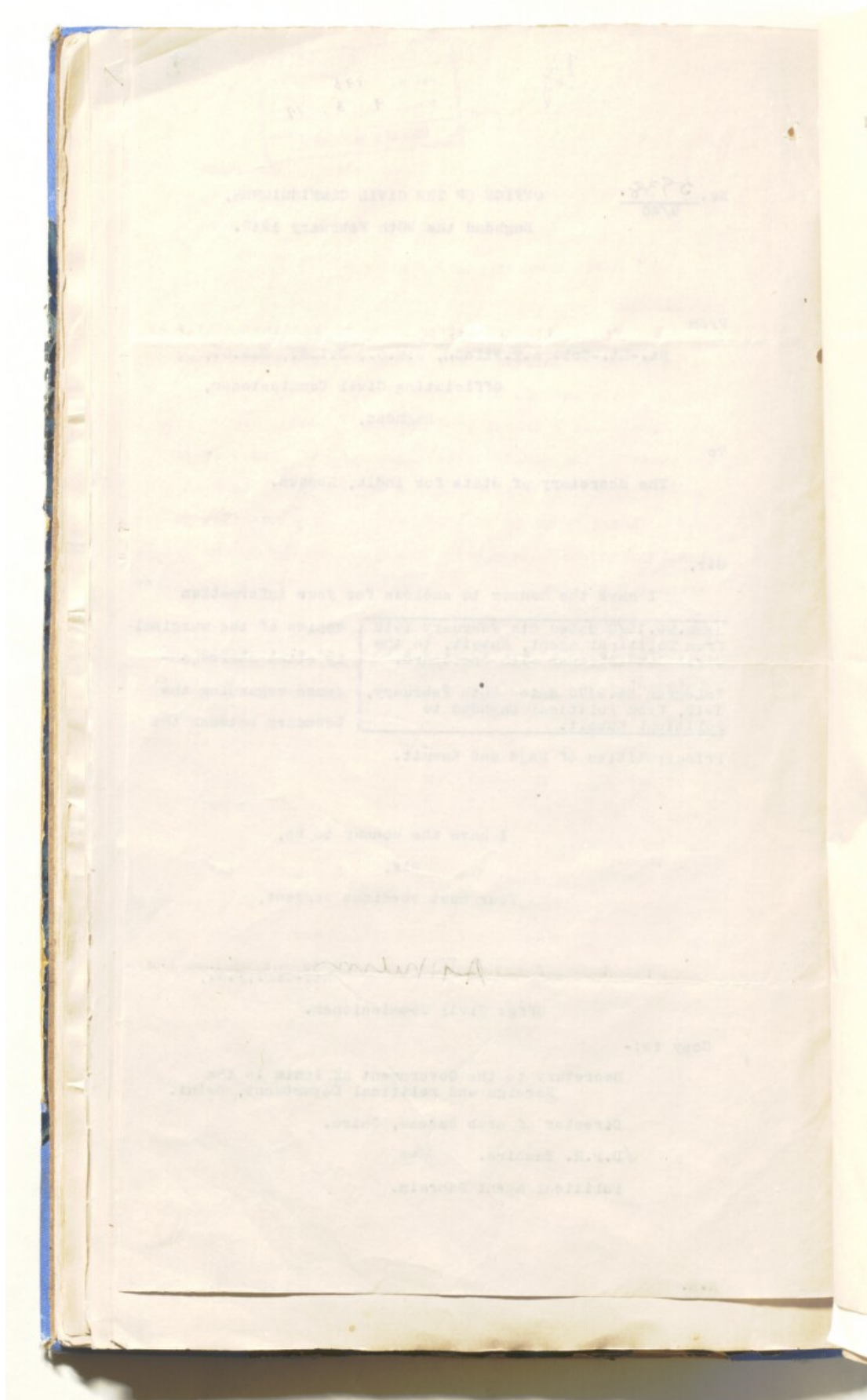




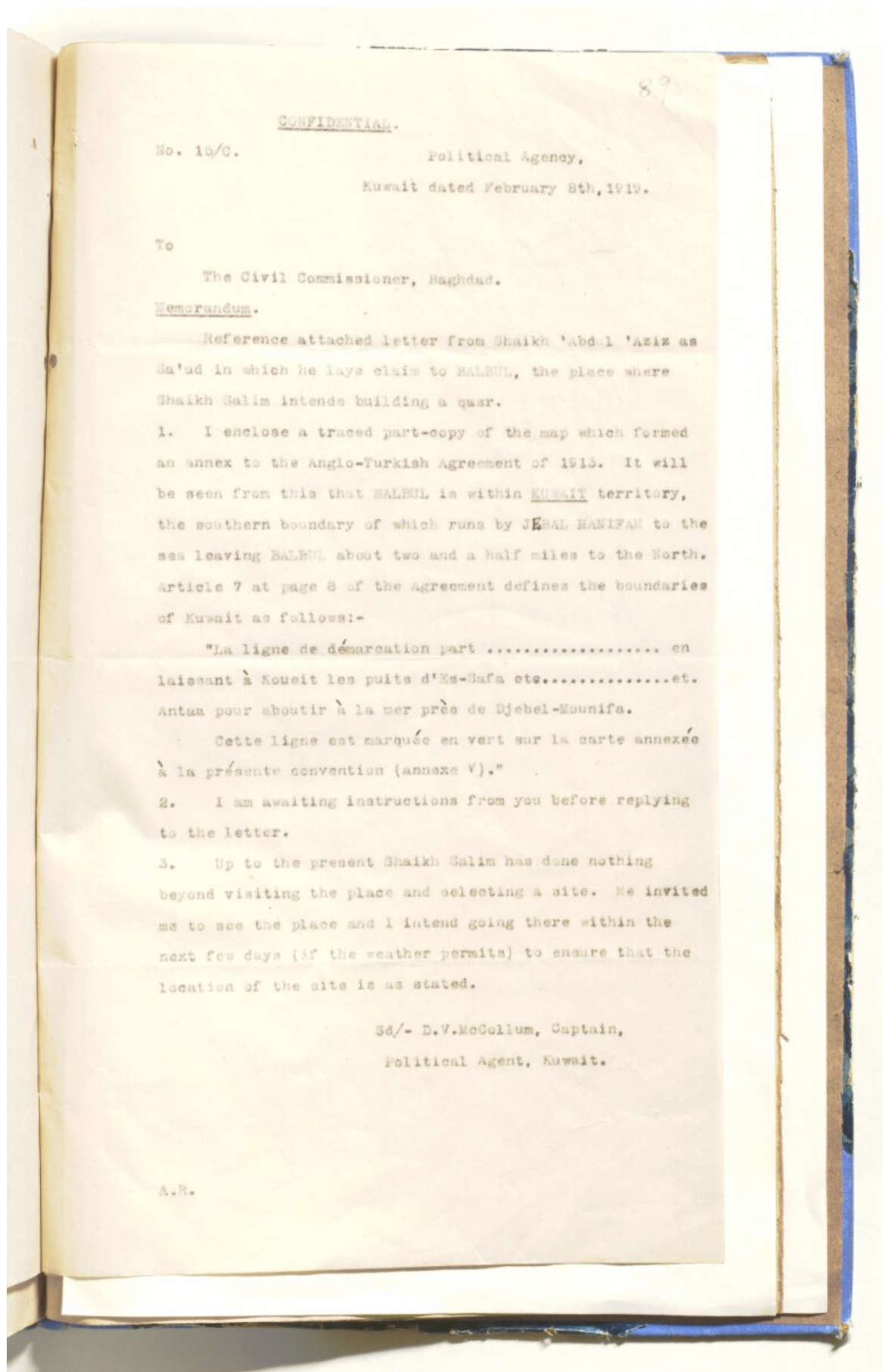
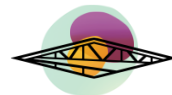


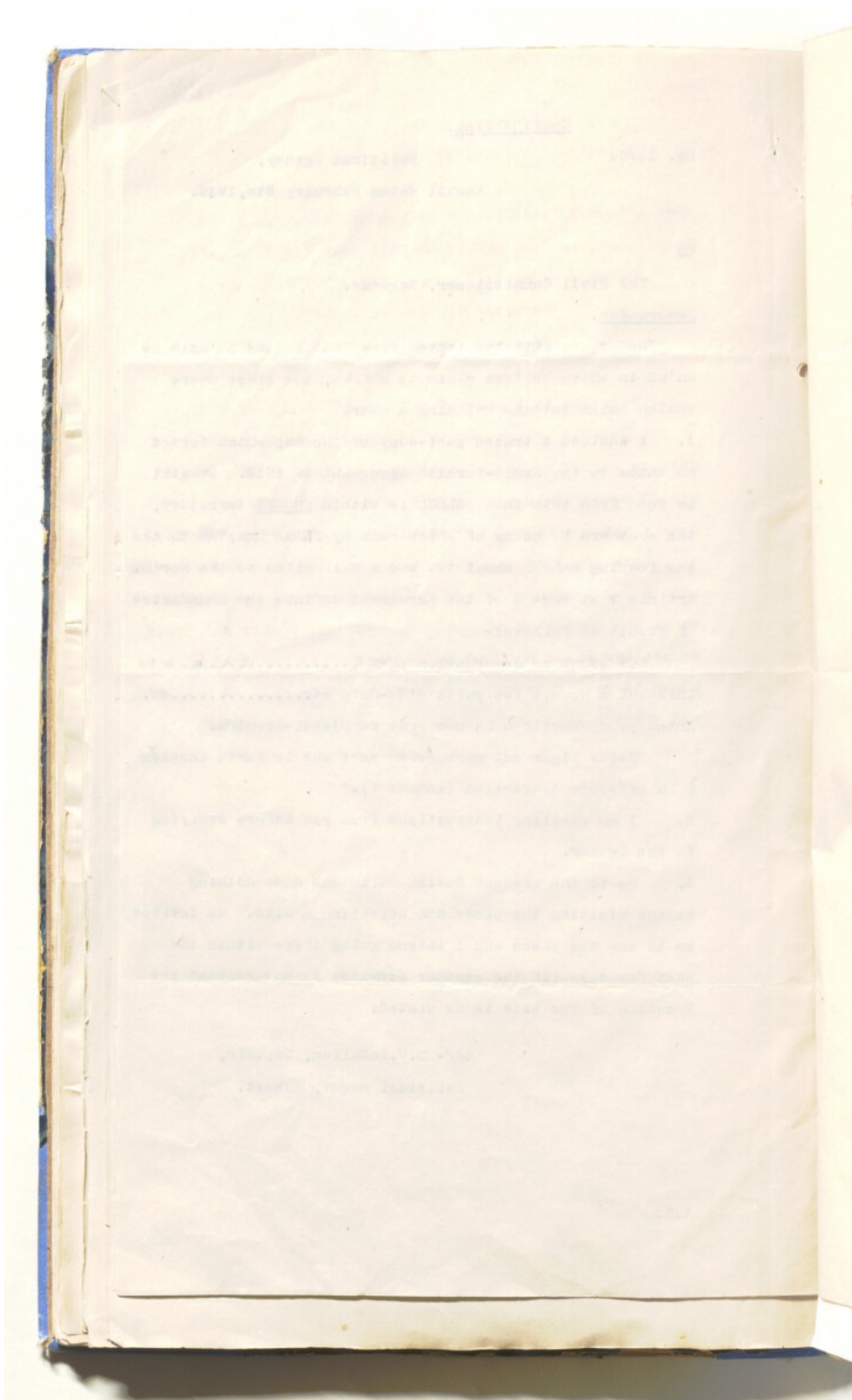
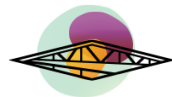




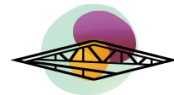












90  
(Letter. Translation).

From.- 'Abdul 'Aziz 'Abdur Rahman al Faisal as Sa'ud.

To.- Captain D.V. McCollum, Political Agent, Kuwait.

Dated 29th Rabi'al Akhir 1337 - 1st February 1919.

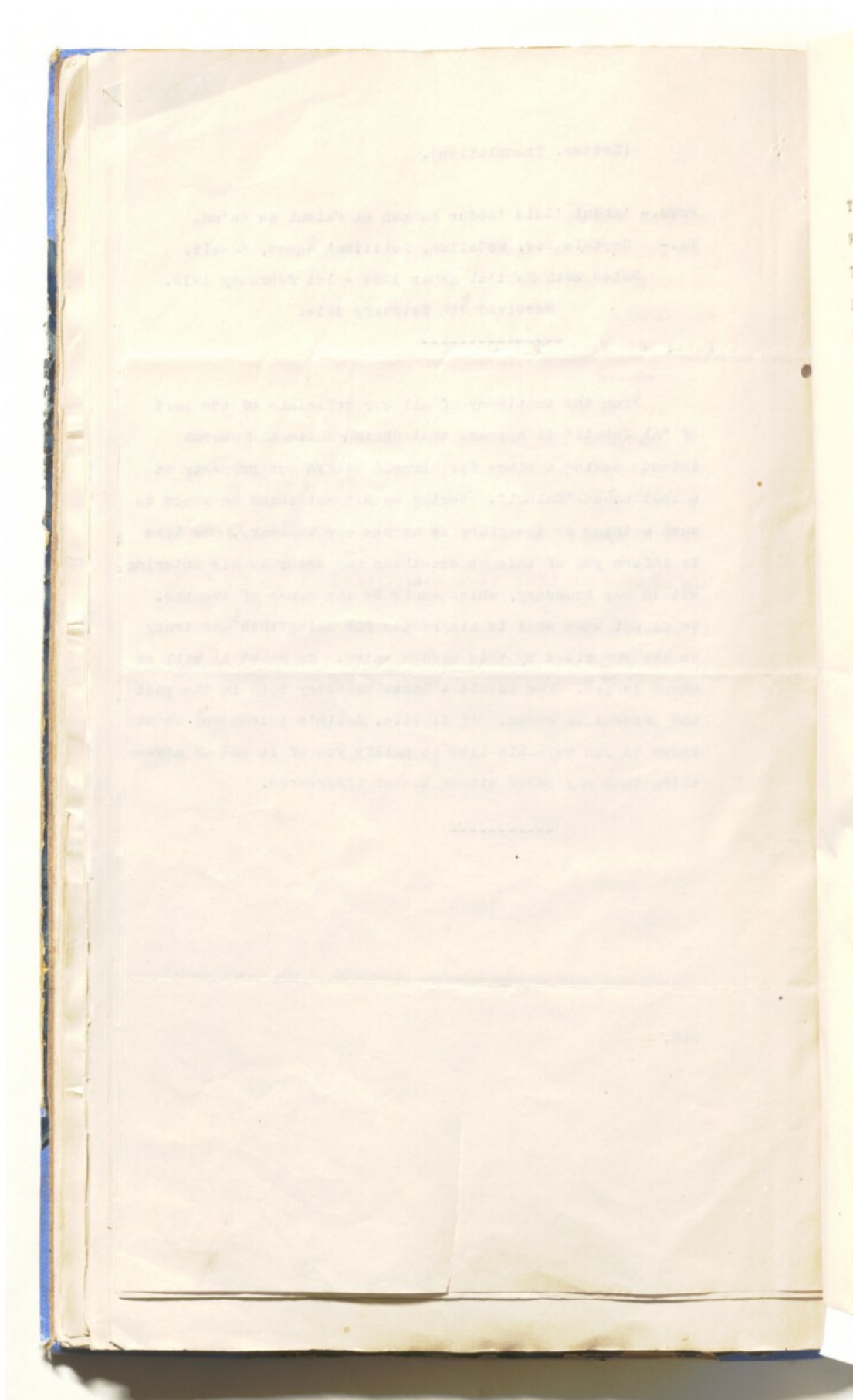
Received 7th February 1919.

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From the testimony of all our officials of the port of "Al Jubail" it appears that Shaikh Salim al Mubarak intends making a place for himself within our property at a spot named "Balbul". Verily we did not think he would do such a thing as the place is across our boundary. We like to inform you of this as something may occur by his entering within our boundary, which would be the cause of trouble. We do not know what is his reason for doing this and truly we are surprised by this sudden entry. No doubt it will be known to you. The Kuwait - Hassa boundary both in the past and present is known. If it (i.e. Salim's intention) is not known to you we would like to notify you of it and of anything that may occur either now or afterwards.

-----

A.R.







Telegram Enclair.

From Political Baghdad.

To Political Kuwait.

No. 2170.

Dated 20th February 1919.

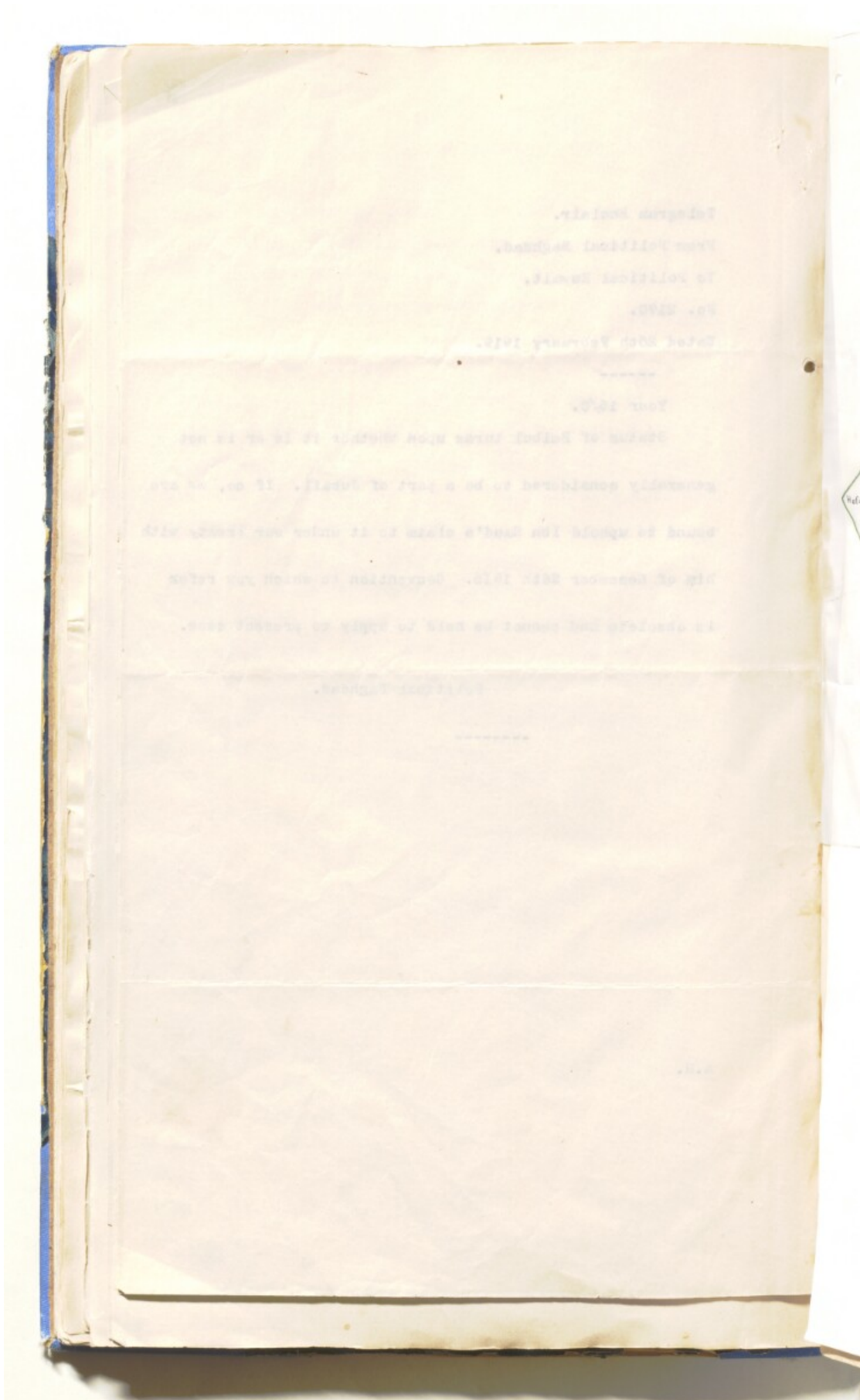
-----  
Your 15/C.

Status of Balbul turns upon whether it is or is not generally considered to be a part of Jubail. If so, we are bound to uphold Ibn Saud's claim to it under our Treaty with him of December 26th 1915. Convention to which you refer is obsolete and cannot be held to apply to present case.

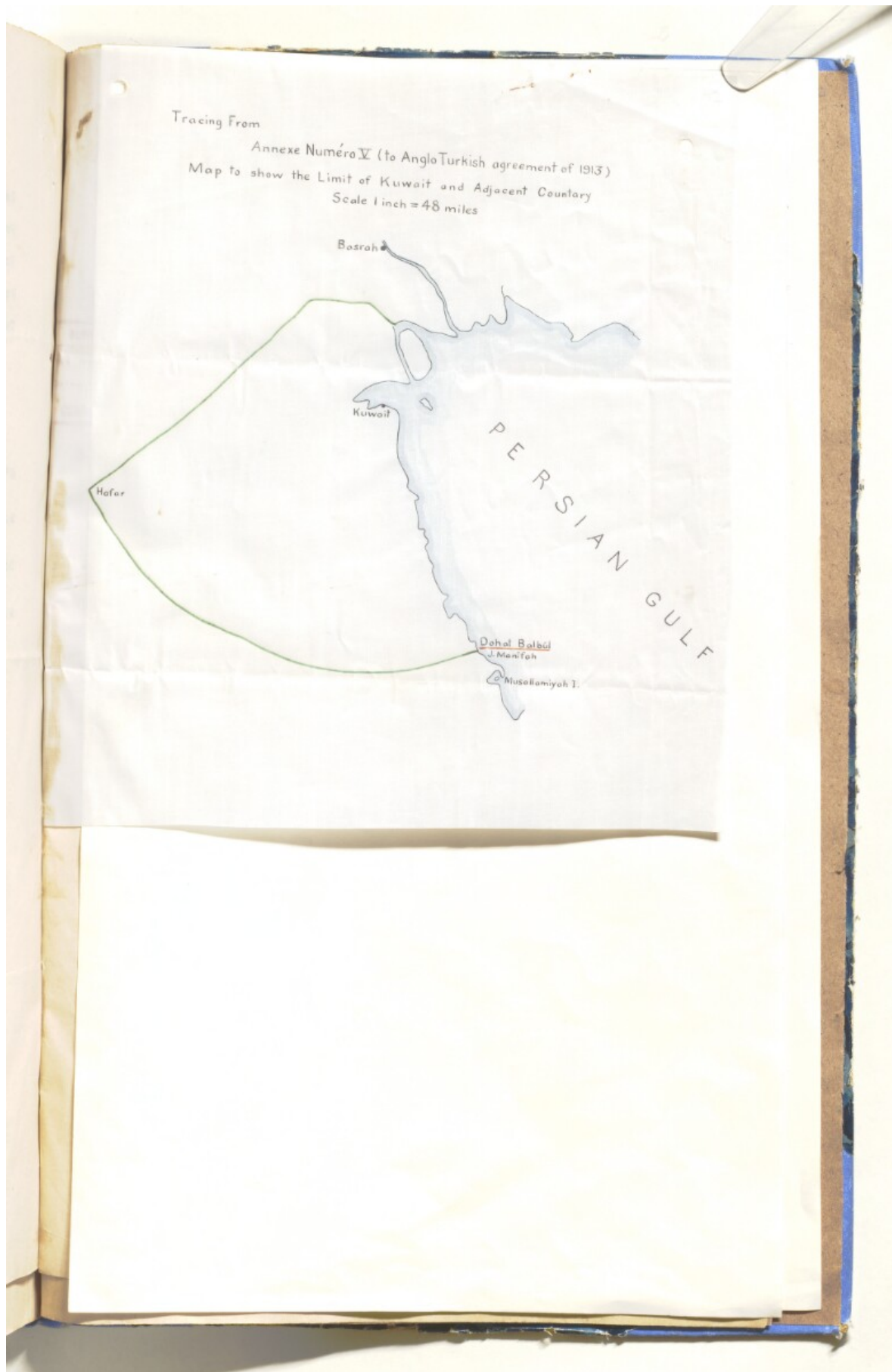
Political Baghdad.

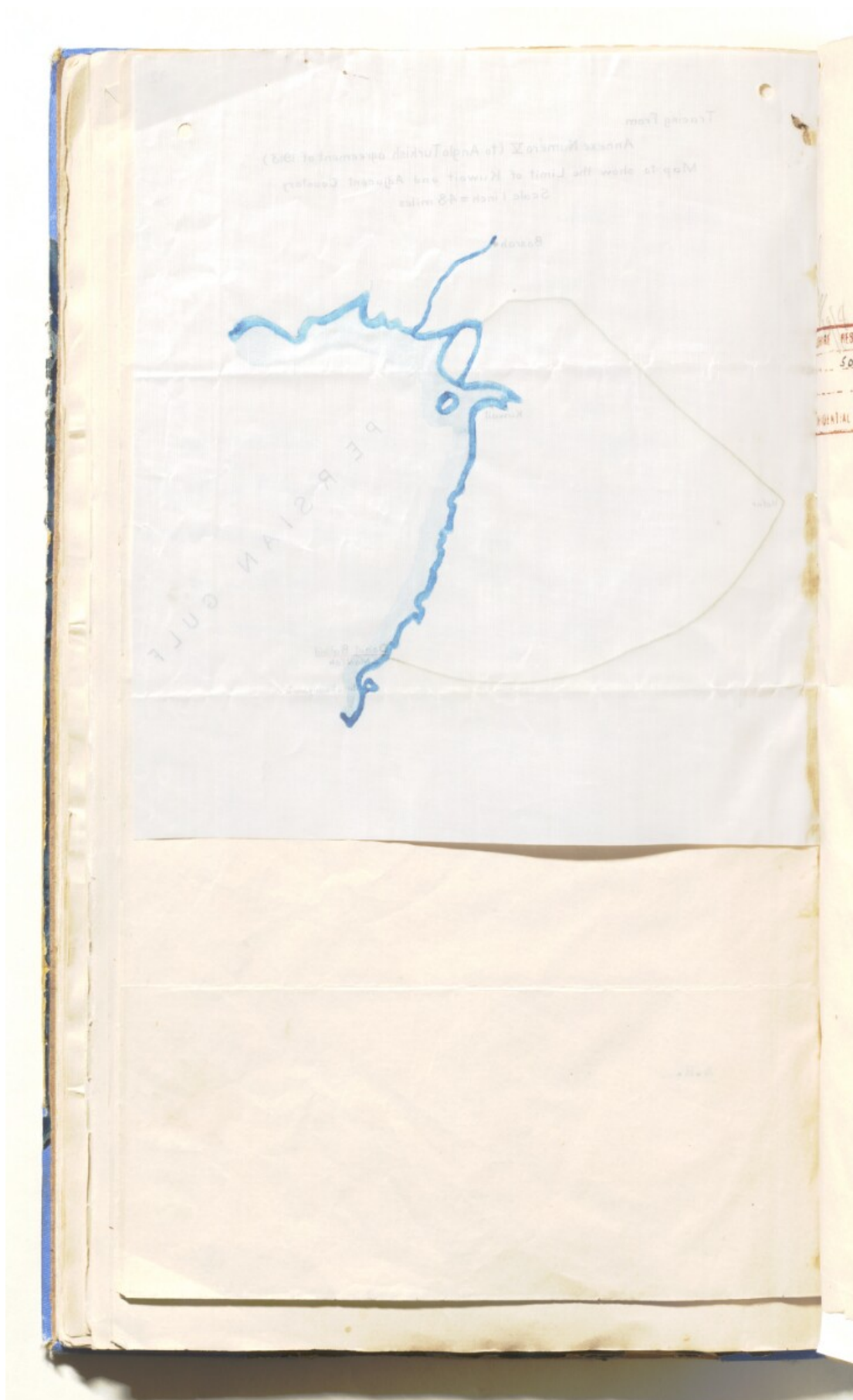
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A.R.



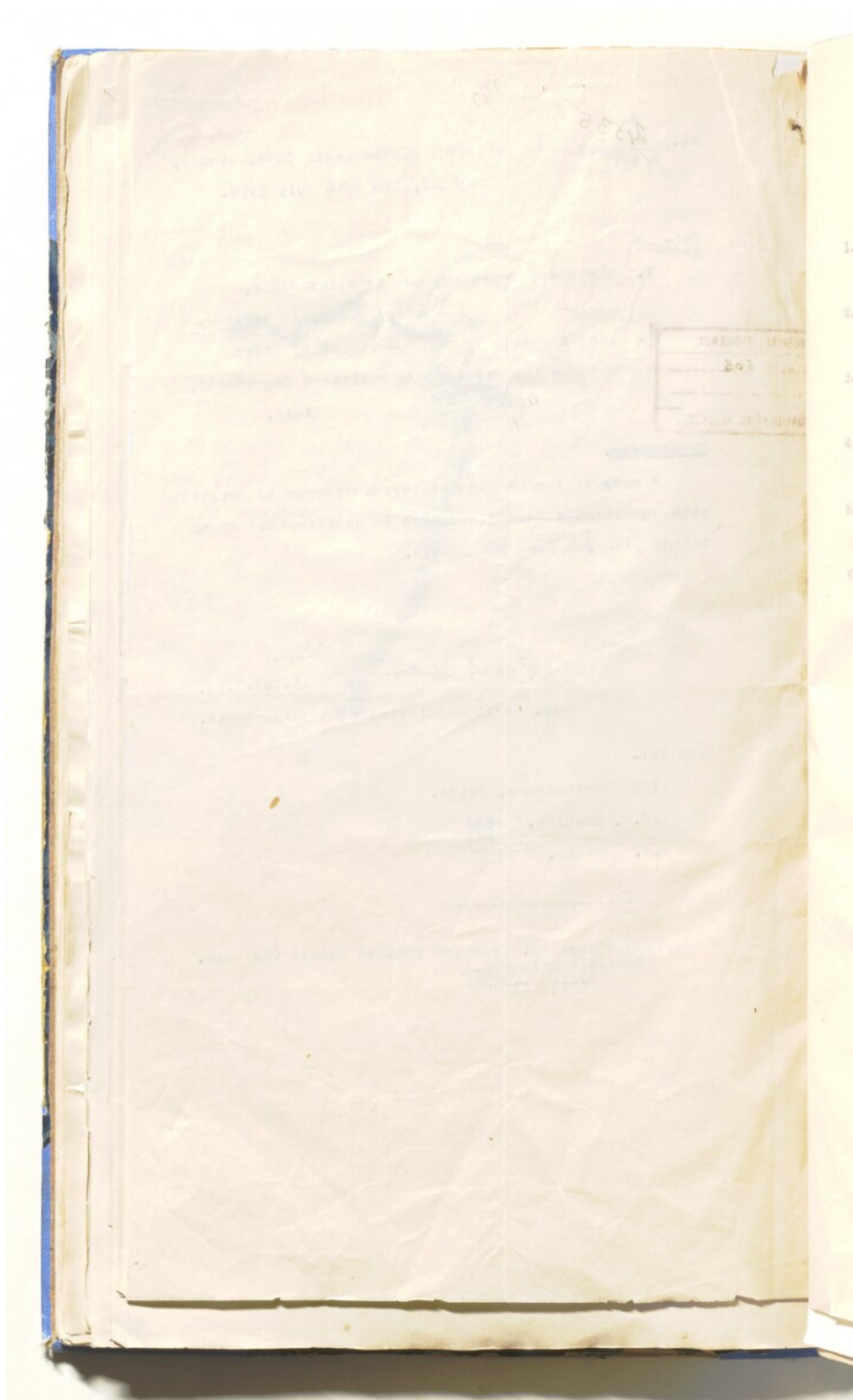




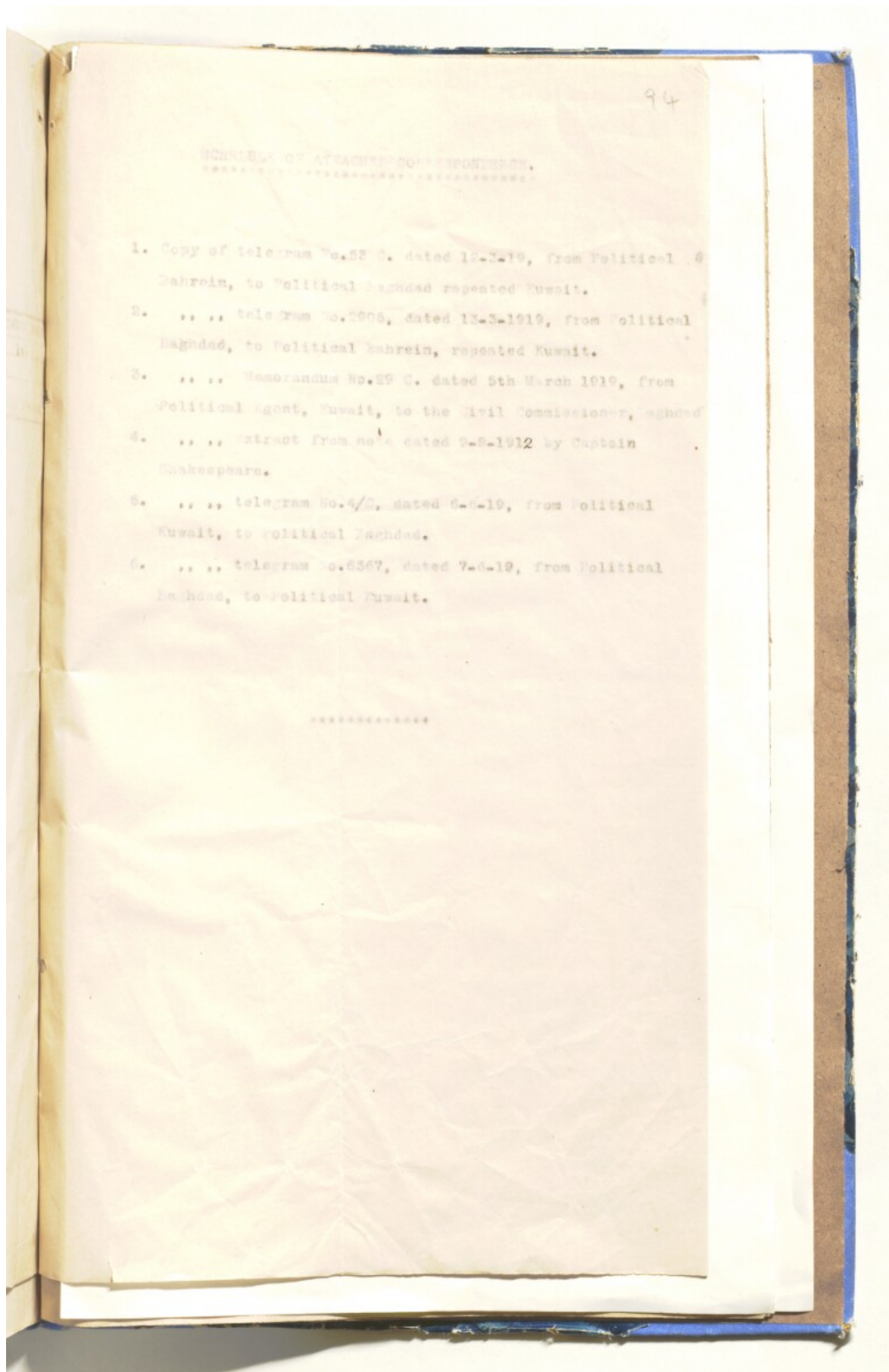


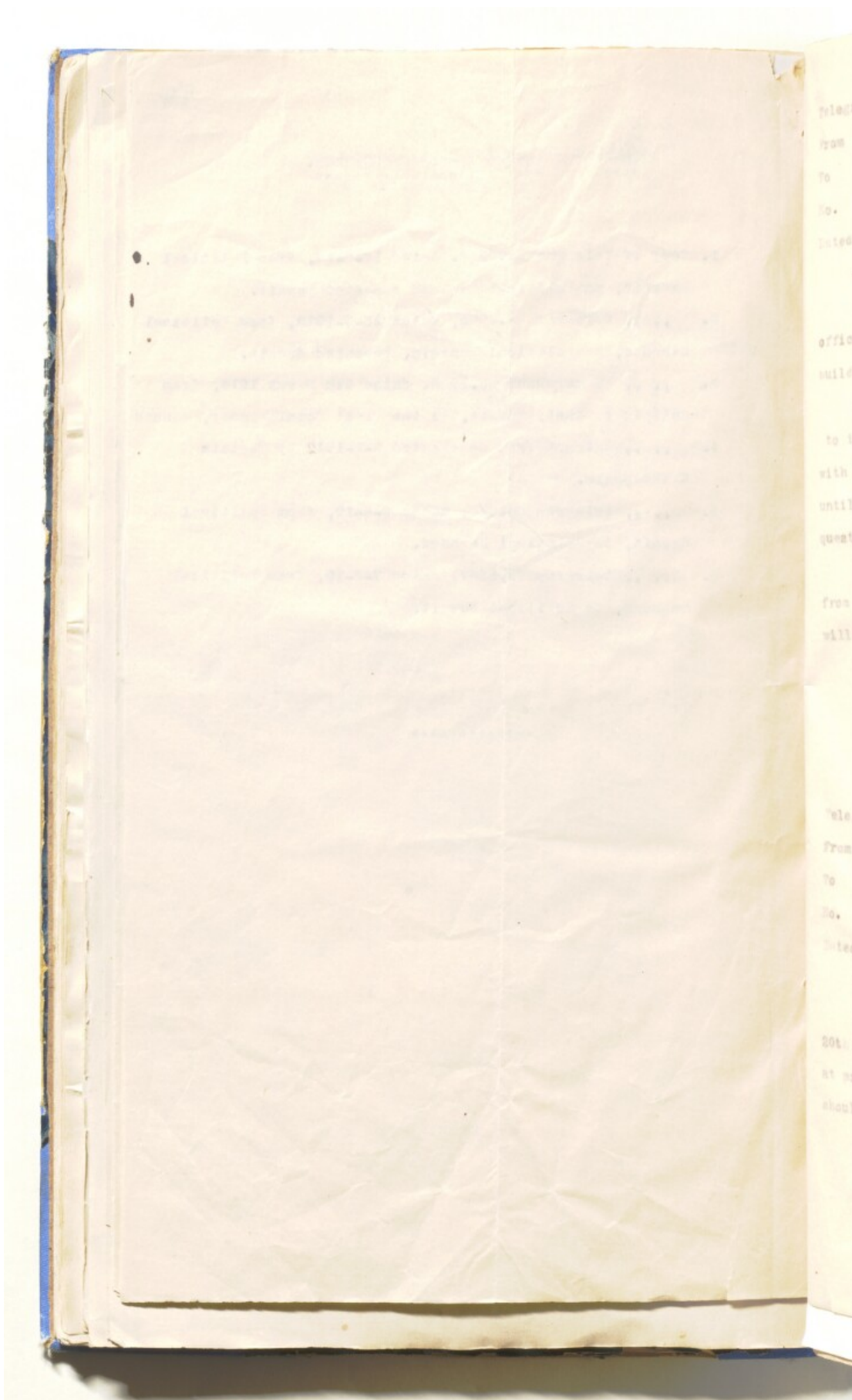




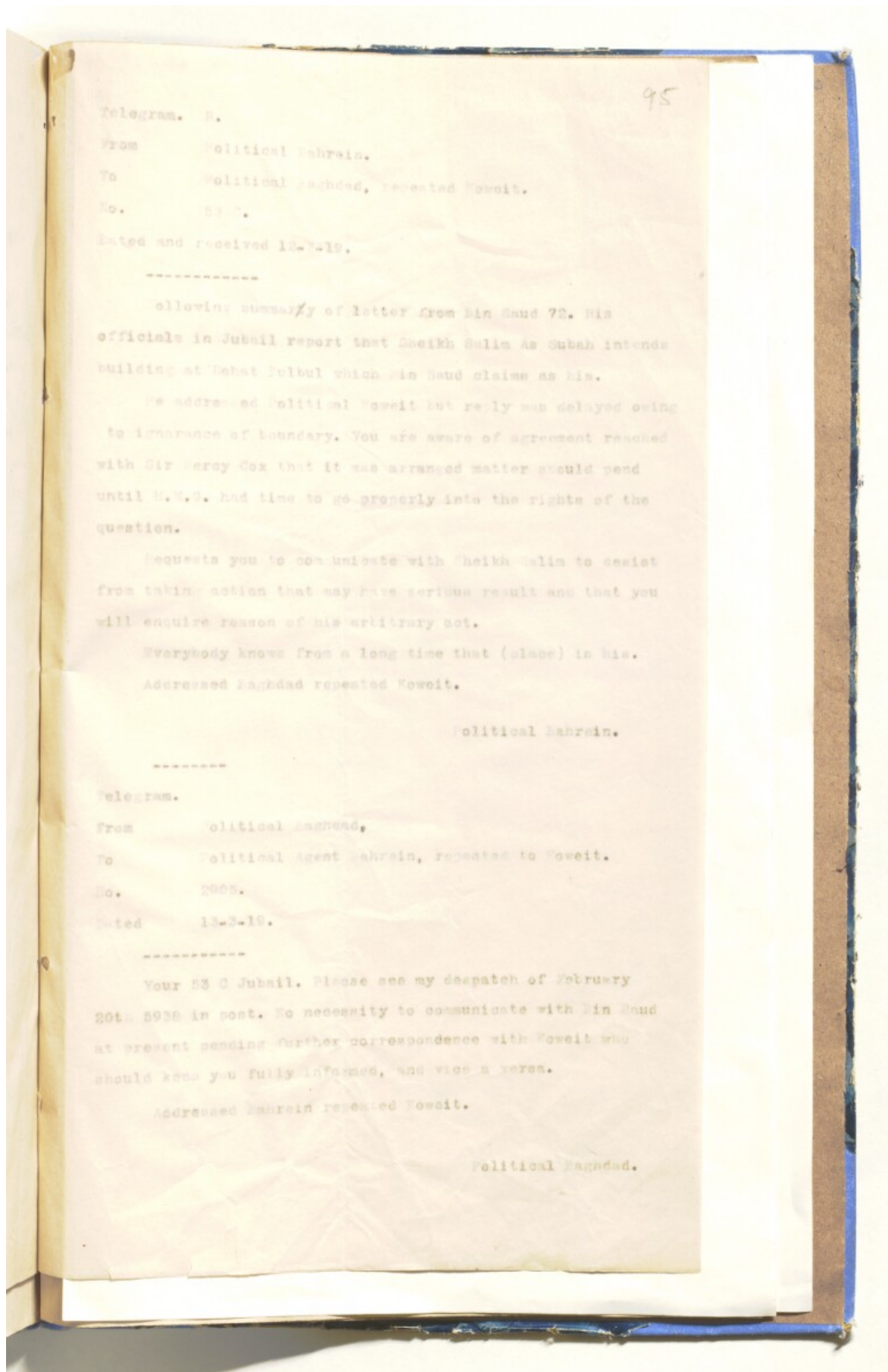












Telegram. B.  
From Political Bahrain.  
To Political Baghdad, repeated Koweit.  
No. 537.  
Dated and received 13-3-19.

Following summary of letter from Bin Saud 72. His officials in Jubail report that Sheikh Salim As Subah intends building at Bahat Fulbul which Bin Saud claims as his.

We addressed Political Koweit but reply was delayed owing to ignorance of boundary. You are aware of agreement reached with Sir Percy Cox that it was arranged matter should pend until H.M.S. had time to go properly into the rights of the question.

Requests you to communicate with Sheikh Salim to assist from taking action that may have serious result and that you will enquire reason of his arbitrary act.

Everybody knows from a long time that (place) is his.  
Addressed Baghdad repeated Koweit.

Political Bahrain.

Telegram.  
From Political Baghdad.  
To Political Agent Bahrain, repeated to Koweit.  
No. 2003.  
Dated 13-3-19.

Your 53 C Jubail. Please see my despatch of February 20th 1938 in post. No necessity to communicate with Bin Saud at present pending further correspondence with Koweit who should keep you fully informed, and vice a versa.

Addressed Bahrain repeated Koweit.

Political Baghdad.

